Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF NAPA

SALINA GALLEGOS, individually, and on behalf of other members of the general public similarly situated;

Plaintiff,

vs.

CENTRAL VALLEY BUILDERS SUPPLY, an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

SALINA GALLEGOS, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act;

Plaintiff,

vs.

CENTRAL VALLEY BUILDERS SUPPLY, an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

Lead Case No.: 21CV001191 (Lead)
(Consolidated with Case No. 21CV001446)

Honorable Scott L.R. Young
Department B

CLASS ACTION

DECLARATION OF BRIAN J. ST. JOHN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

[Plaintiff's Motion for Preliminary Approval of Class Action Settlement; Declaration of Proposed Class Representative (Salina Gallegos); and [Proposed] Order filed concurrently herewith]

Date:	December 13, 2024
Time:	8:30 a.m.
Department:	B
Complaint Filed:	August 16, 2021
Trial Date:	None Set

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DECLARATION OF BRIAN J. ST. JOHN

I, Brian J. St. John, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Salina Gallegos. The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From

approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While employed by Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by contested motion practice in approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.

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BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative action cases have resulted in settlements that have been granted court approval, including and not limited to, those listed in paragraph 8 herein. He has handled over one hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Joanna Ghosh is a Managing Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and she is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration of PAGA claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th175. She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals). She has extensive experience with class action and/or representative action settlements, and has handled this process in over five hundred (500) cases. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, Lawyers *for* Justice, PC has handled the class certification and court approval process for hundreds of class action and/or representative

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action matters that have successfully resolved. She is a member of the California Employment Lawyers Association and, on several occasions, have been a speaker regarding topics in wage and hour law at the organization's continuing legal education events.

6. Matthew Soto is a Member of Lawyers *for* Justice, PC. He received his Bachelor of Science degree and Bachelor of Arts degree from California State University, Los Angeles in 2020, and earned his Juris Doctor degree from Pepperdine Caruso School of Law in 2023. He was admitted to practice law in California in 2023. He is admitted to practice before all courts of the State of California and the Southern, Eastern, and Central federal district courts in the State of California. He has worked on many wage-and-hour class action and PAGA representative cases, and his work on these cases has included drafting pleadings and motions, drafting, negotiating, and finalizing stipulations and settlement agreements, claims evaluation and analysis, and making court appearances.

7. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor's degree from the University of California, San Diego in 2010 and earned my Juris Doctor degree from the University of California, Berkeley, School of Law in 2013. I was admitted to practice law in California in 2015. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, *inter alia*, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Prior to working at Lawyers *for* Justice, PC, I spent several years working for a boutique employment and labor law firm representing employers, and, in 2019 and 2020, I was employed as general counsel for a DMHC licensed discount dental plan.

EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND REPRESENTATIVE ACTION CASES

8. What follows are just a few examples of the type of results Lawyers *for* Justice, PC ("LFJ") has achieved on behalf of its clients:

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a) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a major property management company involving allegations of misclassification of various "manager" positions. On September 20, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC400414.

b) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of household items involving allegations of misclassification of the "Assistant Store Manager" position. On October 28, 2010, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

c) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national property management company involving allegations of misclassification of the "Property Manager" position. On May 23, 2012, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC430918.

d) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer involving allegations of misclassification of the "Store Manager" position. On June 10, 2011, the court granted plaintiffs' motion for class certification. On August 26, 2013, the court granted final approval of the class action settlement. The Los Angeles County Superior Court Case Number is BC424012.

e) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a bank, involving allegations of misclassification of the "Assistant Branch Manager" position. On August 27, 2013, the court granted final approval of the class and PAGA representative action settlement. The Kern County Superior Court Case Number is S-1500-CV-273194-LHB.

f) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a national wholesale distributor of plumbing and builder supplies, involving allegations of misclassification of multiple salaried

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"manager" positions. On May 22, 2014, the court granted final approval of the class and PAGA representative action settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

g) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class action against a multinational corporation that provides global workplace solutions, involving allegations of misclassification of the "Operations Manager" position. On September 16, 2014, the court granted plaintiff's motion for class certification. The Los Angeles County Superior Court Case Number is BC478769.

h) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a national retailer of household items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted final approval of the class and PAGA representative action settlement. The San Francisco County Superior Court Case Number is CGC-13-532344.

i) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action involving allegations of misclassification of the salaried residential "Property Manager" position. On September 17, 2015, the court granted plaintiff's motion for class certification. On October 20, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC474784.

j) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a national retailer of upscale hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council Coordination Proceeding Number is 4794.

k) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf of non-exempt employees. On August 5, 2016, the court granted final approval of the class action

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settlement. The Los Angeles County Superior Court Case Number is BC488069.

l) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against a national retailer of apparel, accessories, and home products, involving allegations of misclassification of the "Department Manager" position. On August 12, 2016, the court granted the plaintiffs' motion for class certification in part and certified a class. On August 6, 2019, the court granted final approval of the class action settlement. The Alameda County Superior Court Case Number is RG13680477.

m) LFJ represented the plaintiff in a PAGA representative action against a real estate and property management company, on behalf of non-exempt employees. On November 4, 2016, the court granted approval of the PAGA representative action settlement. The Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

n) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-exempt employees. On November 18, 2016, the court granted final approval of the class and PAGA representative action settlement. The San Francisco County Superior Court Case Number is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a foodservice distributor, on behalf of non-exempt employees. On January 26, 2017, the court granted final approval of the class and PAGA representative action settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the employer's motion to compel arbitration, which resulted in a published opinion by the California Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal. App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

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q) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a consumer packaging company, on behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC590429.

r) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a manufacturer of food service industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final approval of the class and PAGA representative action settlement. The Orange County Superior Court Case Number is 30-2015-00810013-CU-OE-CXC.

s) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a lumber and hardware company on behalf of non-exempt employees. On April 26, 2017, the court granted final approval of the class and PAGA representative action settlement. The Orange County Superior Court Case Number is 30-2014-00747750-CU-OE-CXC.

t) LFJ represented the plaintiff in a wage-and-hour class and PAGA representative action against a property management company, on behalf of non-exempt employees. On June 14, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC586234.

u) LFJ represented the plaintiff in a wage-and-hour class and PAGA representative action against a food company on behalf of non-exempt employees. On June 30, 2017, the court granted final approval of the class and PAGA representative action settlement. The Sacramento County Superior Court Case Number is 34-2015-00175871.

v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a chocolate company on behalf of non-exempt employees. On July 19, 2017, the court granted final approval of the class and PAGA representative action settlement. The Alameda County Superior Court Case Number is RG15764300.

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w) LFJ firm represented the plaintiff in a PAGA representative action, against the parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On October 18, 2017, the court granted approval of the PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC569664.

x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a manufacturer of plastic containers on behalf of non-exempt employees. On October 31, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC577233.

y) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt employees. On December 11, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC569646.

z) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a property management company on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding Number is 4819.

aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a global provider of flexible office space solutions. On February 15, 2018, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC498401.

bb) LFJ, in association with co-counsel therein, represents the plaintiff in a wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees. On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare County

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Superior Court Case Number is VCU264528.

cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a behavioral health service provider on behalf of non-exempt employees. On November 13, 2018, the court granted final approval of the class and PAGA representative action settlement. The Alameda County Superior Court Case Number is RG16811450.

dd) LFJ, in association with co-counsel therein, represented the plaintiff in a PAGA representative action against a global provider of products and services to the energy industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court granted approval of the PAGA representative action settlement. The Kern County Superior Court Case Number is S-1500-CV-280215-SDC.

ee) LFJ, in association with co-counsel therein, represents the plaintiff in a wage-and-hour class action against a parking company on behalf of non-exempt employees. On September 3, 2019, the court granted the plaintiff's motion for class certification and certified a class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial Council Coordination Proceeding Number is 4886.

ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt employees. On September 27, 2019, the court granted the plaintiffs' motion for class certification in part and certified a class. The Alameda County Superior Court Case Number is RG15757606 and the Judicial Council Coordination Proceeding Number is 4921.

gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a national retailer of apparel and fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the court granted final approval of the class and PAGA representative action settlement. The Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

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hh) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a medical equipment supplier on behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion for class certification and certified a class. On November 2, 2023, the court granted final approval of the class and PAGA representative action settlement. The San Bernardino County Superior Court Case Number is CIVDS1505744.

ii) LFJ, in association with co-counsel therein, on behalf of the plaintiff and respondent in a PAGA representative action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a notable decision from the California Supreme Court clarifying the law regarding PAGA claims, *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval of the PAGA representative action settlement. The San Diego County Superior Court Case Number is 37-2016-00005578-CU-OE-CTL.

jj) LFJ, in association with co-counsel therein, represented the plaintiff in a wage-and-hour class and PAGA representative action against a large national drug testing laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the plaintiff's motion for class certification and certified a class. On October 28, 2022, the court granted final approval of the class and PAGA representative action settlement. The San Diego County Superior Court Case Number is 37-2018-00019611-CU-OE-CTL.

kk) LFJ, in association with co-counsel therein, represents the plaintiffs in a wage-and-hour class and PAGA representative action against a national retailer of sportswear, footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the court granted in part the plaintiff's motion for class certification and certified a class. The Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the Judicial Council Coordination Proceeding Number is 4930.

ll) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a plastic packaging company on behalf of non-exempt employees. On June 8, 2020, the court granted in part the plaintiffs' motion for class certification and certified a class. On November 8, 2021, the court granted approval of the partial settlement of the action. On April 22, 2024, the court granted approval of the PAGA settlement and entered an order dismissing the action. The San Bernardino County Superior Court Case Number is CIVDS1507361.

mm) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class action against manufacturer and supplier of power products and services on behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion for class certification and certified a class. On August 27, 2021, the court granted final approval of the class action settlement. The San Diego County Superior Court Case Number is 37-2015-00025968-CU-OE-CTL.

nn) LFJ represented the plaintiff in a wage-and-hour class action against a nutritional products manufacturer on behalf of non-exempt production line employees. On December 13, 2021, the court granted the plaintiff's motion for class certification in part and certified a class. On January 16, 2024, the court granted final approval of the class and PAGA representative action settlement. The Solano County Superior Court Case Number is FCS051001.

oo) LFJ represents the plaintiffs in a wage-and-hour class action against a manufacturer and distributor of commercial dish and glass cleaning machines and supplies for the restaurant and hospitality industries, on behalf of hourly-paid or non-exempt employees. On July 13, 2023, the court granted the plaintiffs' motion for class certification and certified a class. The Los Angeles County Superior Court Case Number is BC707670.

pp) LFJ represents the plaintiffs in a wage-and-hour class action against a chain of restaurants on behalf of non-exempt employees. On July 22, 2024, the court granted in part the plaintiffs' motion for class certification and certified a class. The San Francisco Superior Court Cast Number is CGC-20-582809.

SUMMARY OF WORK PERFORMED

9. Marked and attached hereto as "**EXHIBIT 1**" is the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiff, on the one hand, and Defendant Central Valley Builders

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Glendale, California 91203

Supply ("Defendant"), on the other hand. The parties and their counsel have approved the proposed Notice of Class Action Settlement ("Class Notice"), which is attached to the Settlement Agreement as "Exhibit A" and respectfully request that the Court approve it as well.

10. Based on information provided by Defendant, during the period from August 16, 2017 through October 11, 2023, the Class Members consisted of approximately Seven Hundred Seventy-Seven (777) individuals with approximately Fifty-Eight Thousand (58,000) Workweeks.

11. Plaintiff has satisfied the prerequisites under California Labor Code section 2699.3(a), including, and not limited to, providing the California Labor and Workforce Development Agency ("LWDA") and the employer with written notice of the specific provisions of the California Labor Code that are alleged to have been violated, including the facts and theories to support the alleged violations, by way of written correspondence on August 5, 2021 ("PAGA Notice"). The PAGA Notice was sent by U.S. Certified Mail to the employer and submitted to the LWDA by way of online submission on the LWDA's website. Aside from confirmation of receipt of the PAGA Notice, the LWDA did not respond to the PAGA Notice. A true and correct copy of the PAGA Notice is attached hereto as "**EXHIBIT 2**."

12. The effectiveness of Class Counsel in prosecuting this matter has translated into tangible monetary benefits in the following respects: (1) Class Members, PAGA Employees, and the State of California recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other complex wage-and-hour class and/or representative action settlements of similar type given the strengths and weaknesses of the case; and (3) significant savings in attorneys' fees and/or costs that would have only increased significantly had the case progressed through certification, trial, and/or appeals.

13. Since the above-captioned action was commenced, Class Counsel has litigated the case for several years and was actively preparing the matter for class certification and trial. The parties have engaged in extensive settlement negotiations and participated in a formal, full-day mediation conducted by the late Jeffrey Krivis, Esq. (the "Mediator"), who was a well-respected mediator experienced in mediating complex labor and employment matters, on October 11, 2023.

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Through the assistance of the Mediator, the parties were successful in reaching the Settlement on July 8, 2024. Prior to and during the mediation and settlement discussions, the parties exchanged extensive information and engaged in discussions regarding their evaluations of the cases and various aspects of the cases, including but not limited to, the risks and delays of further litigation, the risks to the parties of proceeding with class certification and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the parties conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable to all parties was not easy. Defendant and its counsel felt strongly about their ability to prevail on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able to obtain class certification and prevail at trial. After conducting extensive investigations, formal and informal discovery, exchange of information, documents, and data, and settlement negotiations, and with the aid of the Mediator's evaluation, the parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiff and Settlement Class Members and of the Released PAGA Claims of Plaintiff, PAGA Employees, and the State of California, against the Released Parties.

14. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength, and scope of the claims, and was preparing for class certification and trial. Class Counsel conducted significant investigation and formal and informal discovery regarding the facts of the cases, including and not limited to, the exchange, review, and analysis of thousands of pages of documents and data obtained from Defendant, Plaintiff, and other sources. On March 30, 2022, Defendant propounded a Request for Production of Documents (Set One). Thereafter, on May 24, 2022, Plaintiff provided her objections and responses to Defendant's written discovery request and on July 5, 2022, Plaintiff provided her amended objections and responses to Defendant's written discovery request. On July 6, 2022, Class Counsel served Plaintiff's Requests for Production of

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Documents (Set One), Special Interrogatories (Sets One and Two), Requests for Admissions (Set One), and Form Interrogatories – General (Set One). Thereafter on August 29, 2022, Defendant served its objections and responses to Plaintiff's written discovery requests. The volume of information, documents, and data that Class Counsel reviewed and analyzed included and was not limited to: Plaintiffs' employment records, a detailed sampling of Plaintiffs' and other Class Members' time data and pay records, Defendant's Employee Handbook, internal memoranda, earning statements, employment orientation checklist, company policy acknowledgments (including but not limited to Acknowledgement and Receipt of Defendant's Handbook), forms, procedures, and policies (including but not limited to Dress Code Policy, Overtime Policy, Policy Against Harassment, and Rest Breaks and Meal Period Policies), among other information and documents. Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather information regarding the facts and circumstances surrounding Plaintiff's and putative class members' employment and to identify potential witnesses. Counsel for the parties also met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, case management, discovery, motion practice, mediation, and settlement, among other issues. Class Counsel performed other work including, *inter alia*, case strategy and analysis; researching, drafting, reviewing, and revising pleadings, court filings, motion-related papers, briefs for settlement negotiations and mediation, and the settlement agreement; propounding written discovery requests and reviewing Defendant's objections and responses thereto, reviewing and responding to Defendant's written discovery request; claims evaluation and analysis; preparing for and participating in settlement negotiations and the mediation; and appearing for court proceedings.

15. Counsel for the parties have also invested time researching and investigating the applicable law, which is often evolving as it relates to class certification, representative PAGA claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the result achieved by way of the Settlement are fair, adequate, and reasonable.

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16. The Settlement provides for a Maximum Settlement Amount of Two Million Four Hundred and Ninety Thousand Dollars ($2,490,000.00). The Net Settlement Amount is the Maximum Settlement Amount, less the following payments in the amounts approved by the Court: Attorneys' Fees and Costs, Enhancement Payment, the PAGA Amount, and Settlement Administration Costs. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to Settlement Class Members is currently estimated to be One Million Three Hundred Twenty-Six Thousand Dollars and Zero Cents ($1,326,000.00). Additionally, 75% of the PAGA Amount (i.e., the LWDA Payment), which is $187,500.00 out of $250,000.00, will be distributed to the Labor and Workforce Development Agency ("LWDA") and 25% of the PAGA Payment, which is $62,500.00 out of $250,000.00, will be distributed to the PAGA Employees on a pro rata basis. The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the terms of the Settlement.

17. The parties have agreed to retain Simpluris, Inc. ("Settlement Administrator" or "Simpluris") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Simpluris to handle these procedures and serve as the Settlement Administrator. Defendant will provide the Settlement Administrator with a list of Class Members that Defendant will compile from its records, which shall include each Class Member's last-known full name, mailing address, telephone number, Social Security Number, start and end dates employed as a non-exempt, hourly-paid employee of Defendant in California during the Class Period, start and end dates of any leave(s) of absence and/or periods the Class Member was not employed by Defendant during the Class Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks (collectively, "Class List"). The Settlement Administrator will calculate each Settlement Class Member's estimated pro rata share of the Net Settlement Amount ("Individual Settlement Share") and estimated pro rata share of the PAGA Employee Amount ("Individual PAGA Payment"). The Settlement Administrator will be responsible for translating the Class Notice to Spanish, printing, distributing, and tracking Class

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Glendale. California 91203

Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth to process the Settlement, and as requested by the Parties. The Settlement Administration Costs are currently estimated not to exceed Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) and will be paid out of the Maximum Settlement Amount, subject to approval of the Court.

18. Based on investigation and information discovered, Class Counsel believes that there is sufficient evidence to support the allegations made in the lawsuit, including the allegations that Defendant, with respect to Plaintiff and the Class Members, inter alia, failed to properly pay overtime and minimum wages, failed to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary business expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, et seq. and conduct giving rise to civil penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiff also asserted that they and other putative class members and other aggrieved employees were expected to perform similar job duties and were subject to the same or similar operations and employment policies, practices, and procedures. Additionally, Plaintiff asserted that Defendant's recordkeeping practices with respect to Plaintiff, putative class members, and aggrieved employees were substantially the same during the time period at issue. As a result of said alleged uniform practices, Plaintiff claims that Class Members and PAGA Employees were not paid all of the compensation that was owed to them by Defendant. Thus, in Class Counsel's view, it is clear that the outcome of the cases would be determined by Defendant's uniform operations and employment practices, policies, and procedures that Plaintiff alleges applied across Defendant's hourly-paid or non-exempt employees in California during the relevant time period.

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19. Class Counsel are aware of the defenses and position of Defendant, but believe that Plaintiff could potentially obtain class certification despite many obstacles. Class Counsel has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class certification and/or representative adjudication. Plaintiff and Class Counsel further recognize the burdens of proof necessary to establish liability for the claims asserted in the cases, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Class Counsel has also considered the settlement discussions, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

20. Defendant, on the other hand, denied and continues to deny any liability and wrongdoing of any kind associated with the allegations in the cases, and further denies that the cases are appropriate for court adjudication, class treatment, or representative adjudication for any purpose other than the Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have also had the opportunity to conduct investigations and gather information, documents, and data relating to Plaintiff's, Class Members', and PAGA Employees' employment with Defendant, and Defendant's operations and employment policies, practices, and procedures. The parties also reviewed and analyzed thousands of pages of information, documents, and data, including but not limited to a detailed sampling of Class Members' time and pay information, to determine the potential value and strength of the claims. The available information enabled Class Counsel to assess and value the class and PAGA claims and prepare violation, damages, and penalties analyses and models. Accordingly, the parties have conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals.

21. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., $871,500.00) and expenses and costs in an amount not to exceed Twenty Thousand Dollars

and Zero Cents ($20,000.00), which will be paid out of the Maximum Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

22. The Settlement Agreement provides for payments of up to Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff as an Enhancement Payment, to be paid out of the Maximum Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed her, and actively tried to obtain and provide information that would facilitate the pursuit of the class and PAGA claims. Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Payment, in addition to her Individual Settlement Payment and Individual PAGA Payment, for services performed in the cases on behalf of the Class, PAGA Employees, and the State of California.

ESTIMATE OF THE VALUE OF THE CLAIMS

23. Plaintiff's actions allege that Defendant has violated the California Labor Code and Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiff and the Class Members, including *inter alia*, failing to properly compensate overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment, failing to timely pay wages upon termination and associated waiting-time penalties, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses. Plaintiff further contends that Defendant's aforementioned conduct constitutes unfair business practices (under the California Business and Professions Code ("UCL") and gives rise to civil penalties recoverable under PAGA.

24. Based on data provided by Defendant and extrapolated by Plaintiff, the total number of Class Members during the period from August 16, 2017 through March 31, 2024 ("relevant time period") was estimated to be approximately 837 individuals who worked an estimated total of 62,479 workweeks with an average hourly rate of pay of $19.69.

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25. Plaintiff contended that Defendant required Class Members to perform work before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods. Plaintiff contended that Defendant discouraged the recordation of overtime hours and required Class Members to perform work off-the-clock. Plaintiff contended that Defendant failed to include non-discretionary bonuses and incentives in the calculation of the regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, later, shortened, and/or interrupted, that Class Members, were required to remain on premises during rest breaks (up until 2022), be readily available to assist with work tasks, and that Defendant failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that Defendant intentionally and willfully failed to pay Plaintiff and Class Members all wages due to them while they were employed by Defendant, within the time period permissible under California law, and that Defendant failed to pay all wages due upon termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate. Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other Class Members for necessary business expenses, including, but not limited to, the costs associated with the usage of personal cell phones to perform their work duties.

26. Class Counsel considered Defendant's arguments, e.g., that the employer's practices, policies, and procedures complied with the law, that Defendant paid Class Members over the California minimum wage for all hours worked, that Defendant correctly paid overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-time penalties only arise from "willful" failure to pay wages due and owing at the time of termination or resignation, that Plaintiff and Class Members suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes of action, and that a policy and practice of reimbursing employees for necessary business-related expenses exists. Class Counsel also considered the likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code,

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Glendale. California 91203

on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion when assessing penalties under PAGA, and that it could be determined that individual liability issues predominate (e.g., due to purported variation in shifts, locations, job duties, and other circumstances which could raise individualized questions of fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

27. Class Counsel considered information, data, and documents obtained from Plaintiff, Defendant, and other sources, and created violation, damages, and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value of each claim assumed an exposure based on the above-captioned action having been certified and Plaintiff having proven all elements of the claims and entitlement to monetary recovery in the above-captioned action (on a class-wide and a representative basis), despite risks associated with obtaining and maintaining certification and demonstrating manageability, risks to establishing liability and any underlying California Labor Code and IWC Wage Order violations and damages, and significant additional costs that would have to be incurred in order to certify the above captioned action and establish liability, damages, and penalties amounts in the cases. Plaintiff faced the risk of the Court finding that individualized issues predominate, such that the cases are not suitable for class treatment. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the extensive time and pay records produced by Defendant, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and realistic values of each claim as follows:

a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to be $3,691,259.32 (62,479 workweeks x 2 hours of unpaid overtime wages x overtime hourly rate of $29.54, which is based on the average hourly rate of $19.69). At this juncture, a discount of 55% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer

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Glendale. California 91203

to $1,661,066.69), a discount of 55% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $747,480.01), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $298,992.00).

b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be $1,230,211.51 (62,479 workweeks x 1 hour of unpaid minimum wages x average hourly rate of $19.69). At this juncture, a discount of 55% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $553,595.18, a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $221,438.07), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $77,503.33).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be $1,230,211.51 (62,479 workweeks x 1 meal period premium x average hourly rate of $19.69). At this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $492,084.60), a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $172,229.61), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $60,280.36).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be $3,690,634.53 (62,479 workweeks x 3 rest period premiums x average hourly rate of $19.69). At this juncture, a discount of 60% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,476,253.81), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $590,501.52), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $236,200.61).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties): Based on information and data provided by Defendant, it was estimated that approximately 583 Class Members had been terminated during the three-year statute of limitations (i.e., from February 21, 2021). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be $2,755,024.80 collectively (583 individuals x [30 days x hourly rate of $19.69 x 8 hours]), or approximately $4,725.60 per individual. At this juncture, a discount of 55% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,239,761.16), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $495,904.46), and a discount of 55% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $223,157.01).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be $1,304,000.00 (326 individuals x $4,000 maximum statutory). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $456,400.00), a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this

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claim closer to $159,740.00), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $55,909.00).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be $149,949.60 (62,479 workweeks x $2.40 unreimbursed business expenses). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $52,482.36), a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $18,368.83), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $7,347.53).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately $1,507,450.00 (511 aggrieved employees estimated to have worked during one-year statutory period x $2,950 civil penalties). At this juncture a discount of 35% was applied to account for the risks associated with possible bifurcation of discovery and/or trial (bringing the value of this claim closer to $979,842.50), a discount of 35% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $636,897.63), and a discount of 35% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to

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Glendale. California 91203

$413,983.46).

28. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

29. Class Counsel submit that the Settlement is fair, reasonable, and adequate, and is in the best interests of Plaintiff, the Class, PAGA Employees, and the State of California. Class Counsel further submit that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 18 day of November 2024, at Glendale, California.

Brian J. St. John

EXHIBIT 1

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement" or "Settlement Agreement") is made and entered into by and between Salina Gallegos ("Plaintiff"), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Employees pursuant to the Private Attorneys General Act, and Central Valley Builders Supply ("Defendant") (collectively, Plaintiff and Defendant are referred to as the "Parties" and individually they are referred to as "Party").

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiff, Settlement Class Members (as defined herein), the State of California with respect to PAGA Employees (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On August 5, 2021, Plaintiff provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of her intent to pursue civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") for Defendant's alleged violations of the California Labor Code ("PAGA Notice"). On August 16, 2021, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action, entitled *Salina Gallegos v. Central Valley Builders Supply*, Napa County Superior Court, Case No. 21-cv-001191 ("Class Action") against Defendant for alleged violations of the California Labor Code. On October 12, 2021, Plaintiff filed a separate action against Defendant asserting a single cause of action under PAGA, entitled *Salina Gallegos v. Central Valley Builders Supply*, Napa County Superior Court, Case No. 21-cv-001446 (the "PAGA Action"), seeking civil penalties for Defendant's alleged violations of the California Labor Code. On February 1, 2022, the Napa County Superior Court consolidated the Class Action and the PAGA Action for all purposes, and the Class Action (Napa County Superior Court Case No. 21-cv-001191) was deemed the lead case. The Class Action and the PAGA Action are referred herein together as "the Consolidated Actions" or "Actions."

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2. Defendant denies all material allegations set forth in the operative complaints in the Consolidated Actions and has asserted numerous affirmative defenses in the cases. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Consolidated Actions, the Released Class Claims, and the Released PAGA Claims.

3. Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of Defendant's employment and operations policies, practices, and procedures.

4. On October 11, 2023, the Parties participated in mediation with Jeffrey Krivis, Esq. (the "Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, Class Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, the State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

5. The Parties expressly acknowledge that this Settlement Agreement is entered into 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 the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

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

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a. "Attorneys' Fees and Costs" means attorneys' fees for Class Counsel's litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Actions, as set forth in Paragraph 10.

b. "Class Counsel" means Arby Aiwazian, Joanna Ghosh, and Matthew Richard Soto of Lawyers *for* Justice, PC.

c. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's last-known full name, mailing address, telephone number, Social Security Number, start and end dates employed as a non-exempt, hourly-paid employee of Defendant in California during the Class Period, start and end dates of any leave(s) of absence and/or other periods the Class Member was not employed by Defendant during the Class Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks (as defined herein).

d. "Class Member(s)" or "Class" means all current and former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the Class Period. Defendant represents that the number of Class Members is approximately seven hundred and seventy-seven (777) individuals, as of October 11, 2023.

e. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as "**Exhibit A**."

f. "Class Period" means the time period from August 16, 2017, through the earlier of the date of Preliminary Approval of the Settlement, March 31, 2024, or, if applicable, the Alternate Class Period End Date, pursuant to Paragraph 35.

g. "Class Representative" or "Plaintiff" mean Salina Gallegos.

h. "Class Settlement" means the settlement and resolution of all Released Class Claims.

i. "Court" means the Napa County Superior Court.

j. "Defendant" means Central Valley Builders Supply.

k. "Defendant's Counsel" means Marc L. Jacuzzi and Sarah E. Lucas of Simpson, Garrity, Innes & Jacuzzi, PC.

l. “Effective Date” means the date by when both of the following have occurred: (a) the Court has entered a judgment on its order granting final approval of the Settlement herein, and (b) the judgment is final. The judgment is final as to the latest of the following occurrences: (a) if no Settlement Class Member objects to the Class Settlement herein, the day the Court enters judgment; or (b) if one or more Settlement Class Members object to the Class Settlement, the day after the deadline for filing a notice of appeal from the judgment or, if a timely appeal from the judgment is filed, the day after the appellate court affirms the judgment and issues a remittitur. Settlement Class Members are nevertheless required to meet the legal requirements for obtaining standing to appeal, and Parties do not waive these requirements.

m. “Employer Taxes” means the employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares.

n. “Enhancement Payment” means the amount to be paid to Plaintiff in recognition of her efforts and work in prosecuting the Actions.

o. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

p. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

q. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated in accordance with Paragraph 15.

r. “Individual Settlement Payment(s)” means the net payment of each Settlement Class Member’s Individual Settlement Share, as provided in Paragraph 14, after reduction for the employee’s and employer’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share.

s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in accordance with Paragraph 14.

t. “LWDA Payment” means the amount of One Hundred Eighty Seven Thousand Five Hundred Dollars ($187,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the California Labor and Workforce Development Agency (“LWDA”) for the PAGA Settlement.

u. “Maximum Settlement Amount” means the amount of Two Million Four Hundred and Ninety Thousand Dollars ($2,490,000.00) to be paid by Defendant in full resolution of all Released Class Claims, Released PAGA Claims, and the Actions provided for under the Class Settlement and PAGA Settlement, which includes all Attorneys’ Fees and Costs to be paid to Class Counsel, Enhancement Payment to be paid to Plaintiff, PAGA Amount to be paid to the LWDA and PAGA Employees, Net Settlement Amount to be paid to the Settlement Class Members (inclusive of employee’s share and employer’s share (i.e., Employer Taxes) of taxes on the wages portion of Individual Settlement Shares), and Settlement Administration Costs to be paid to the Settlement Administrator. The Maximum Settlement Amount may increase only to the extent and under the circumstances provided in Paragraph 35.

v. “Net Settlement Amount” means the Maximum Settlement Amount less the Court-approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees and Costs.

w. “Objection” means a Class Member’s written objection to the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

x. “PAGA Amount” means the allocation of Two Hundred and Fifty Thousand Dollars ($250,000.00) from the Maximum Settlement Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor Code section 2698 *et seq.*, for the settlement and resolution of the Released PAGA Claims. Seventy-five percent (75%) of the PAGA Amount, or $187,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining twenty-five percent (25%), or

$62,500.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount).

y. "PAGA Employees" means all current and former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the PAGA Period.

z. "PAGA Employee Amount" means the amount of Sixty-Two Thousand Five Hundred Dollars ($62,500.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their Workweeks during the PAGA Period.

aa. "PAGA Period" means the time period from February 9, 2020 through the earlier of the date of Preliminary Approval of the Settlement, or, if applicable, the Alternate PAGA Period End Date, pursuant to Paragraph 35.

bb. "PAGA Settlement" means the settlement and resolution of Released PAGA Claims.

cc. "Parties" means Plaintiff and Defendant, collectively, and "Party" means any of the Plaintiff or Defendant.

dd. "Preliminary Approval" means entry of the Court order granting preliminary approval of the Settlement Agreement.

ee. "Released Class Claims" means all claims and causes of action that were alleged in the operative complaint in the Class Action or that reasonably could have been alleged based on the factual allegations in the operative complaint in the Class Action, arising during the Class Period, against any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 200, 201, 202, 203, 204, 226, 226.7, 510, 511, 512, 558(a)(3), 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 1-2001, 4-2001, 7-2001, and 16-2001), for failure to pay all and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; failure to reimburse business expenses; unfair business practices under California Business and Professions Code section 17200, *et seq*. for the aforementioned alleged violations; and attorneys fees under California Code of Civil Procedure section 1021.5 or any other statutory provision.

ff. “Released PAGA Claims” means all claims and causes of action for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* that were alleged in the PAGA Notice and operative complaint in the PAGA Action or that reasonably could have been alleged based on the factual allegations in the PAGA Notice and operative complaint in the PAGA Action, arising during the PAGA Period against any of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226, 226.7, 510, 511, 512, 551, 552, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 1-2001, 4-2001, 7-2001, and 16-2001) for failure to pay all wages and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; and failure to reimburse business expenses.

gg. “Released Parties” means Central Valley Builders Supply and each of its past, present, and/or future, direct and/or indirect, officers, directors, members, managers, exempt employees, agents, representatives, insurers, partners, investors, shareholders, parent companies, subsidiaries, divisions, predecessors, successors, assigns, and joint venturers.

hh. “Request for Exclusion” means a Class Member’s written letter or statement indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

ii. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen (15) calendar days from the initial Response Deadline.

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

kk. "Settlement Administration Costs" means the costs payable from the Maximum Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth in Paragraph 12.

ll. "Settlement Class Members" or "Settlement Class" means all Class Members who do not submit a timely and valid Request for Exclusion.

mm. "Workweeks" means the number of weeks each Class Member was employed by Defendant as a non-exempt, hourly paid employee in California during the Class Period, which will be calculated by the Settlement Administrator by determining the number of weeks a Class Member was employed during the Class Period based on each Class Member's employment start and end dates during the Class Period and excluding any time the Class Member was on a leave of absence or was not employed by Defendant, which information will be included in the Class List provided to the Settlement Administrator by Defendant.

nn. "Workweeks Dispute" means a Class Member's written letter disputing the pre-printed information on the Class Notice as to the number of Workweeks credited to them, which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class Member disputes of the number of Workweeks credited to him or her and what he or she contends is the correct number to be credited to him or her; (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

7. For the purposes of this settlement only, the Parties stipulate to the certification of the Class.

8. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under California Code of Civil Procedure section 382. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate as to any of the claims asserted by Plaintiff against Defendant in a non-settlement context.

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:

9. Funding and Disbursement of the Maximum Settlement Amount. Within fifteen (15) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a qualified settlement account for administration of the Settlement. Within thirty (30) calendar days after the Effective Date, Defendant will make a one-time deposit of the Maximum Settlement Amount into the settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of the funding of the Maximum Settlement Amount, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c) LWDA Payment to the LWDA; (d) Enhancement Payment to Plaintiff; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator will also undertake filings and remittances in connection with the employee's share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes that are necessary for administration of the Settlement.

10. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose

attorneys' fees of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., up to $871,500.00 if the Maximum Settlement Amount is $2,490,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Actions, supported by declaration, in an amount not to exceed Twenty Thousand Dollars ($20,000.00), both of which will be paid from the Maximum Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation and settlement of the Actions, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable or responsible for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members.

11. <u>Enhancement Payment.</u> In recognition of her efforts and work in prosecuting the Actions, Defendant agrees not to oppose or impede any application or motion for an Enhancement Payment to Plaintiff in the amount of up to Ten Thousand Dollars ($10,000.00). The Enhancement Payment, which will be paid from the Maximum Settlement Amount subject to Court approval, will be in addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable) that she is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the amounts received. Should the Court not approve the Enhancement Payment to Plaintiff, or approve it in an amount

that is less than that set forth above, Plaintiff shall not have the right to revoke this Agreement, and it will remain binding, and the difference between the amount approved by the Court (if any) and the amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

12. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, not to exceed Twelve Thousand Five Hundred Dollars ($12,500.00). These costs, which will be paid from the Maximum Settlement Amount subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Maximum Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

13. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of Two Hundred Fifty Thousand Dollars ($250,000.00) from the Maximum Settlement Amount will be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq*. (i.e., the PAGA Amount), of which seventy-five percent (75%), or $187,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, $62,500.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on Workweeks during the PAGA Period (i.e., the Individual PAGA Payment).

14. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks during the Class Period, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual Settlement Share.

15. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of all PAGA Employees during the PAGA Period to yield the "PAGA Workweek Value," and multiply each PAGA Employee's individual Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment.

16. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Employees to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or

compensation plan document that might have been in effect during the Class Period).

17. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code section 2699(l)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court for preliminary approval.

18. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

19. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the United States Postal Service's National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via U.S. mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Class Notices that are returned as undeliverable on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

c. Dispute Regarding Workweeks. The Class Notice will include the procedure by which a Class Member may dispute the number of Workweeks allocated to him or her by submitting a timely and valid Workweeks Dispute. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed correct and determinative of the dispute. The Settlement Administrator will evaluate the information and/or documents submitted by the Class Member and the Settlement Administrator will resolve and determine the number of Workweeks that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

20. Settlement Checks.

a. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual.

b. The Settlement Administrator shall remit and report the applicable portions of the payroll tax payments, including the Employer Taxes, to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment required.

c. Each Individual Settlement Payment check and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to Napa Court Appointed Special Advocates for Children ("Proposed *Cy Pres* Recipient" or "Napa CASA"). The Proposed *Cy Pres* Recipient is a child advocacy organization that performs work advocating for the interests of abused and neglected children who, through no fault of their own, have become dependents of the court. The Parties and their counsel do not have any interests or involvement within the governance or work of the Proposed *Cy Pres* Recipient. Should the Court reject Napa CASA as a viable *Cy Pres* recipient, the Parties agree to select and propose Napa Valley Child Advocacy Network, Inc. (d.b.a ParentsCAN)(Tax ID Number 56-2498308) as an alternate *Cy Pres* recipient ("Alternate *Cy Pres* Recipient" or "ParentsCAN"). The Alternative *Cy Pres* Recipient is a child advocacy organization which assists children with disabilities and their families in finding health care, education, and social services in Napa Valley. The Parties and their counsel do not have any interests or involvement within the governance or work of the Alternate Proposed *Cy Pres* Recipient.

d. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.

Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by this Settlement Agreement, and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement Class Members with respect to the Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA Payment checks are canceled.

21. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and also identify the individuals who submitted them, in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

22. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by Paragraph 6.w of this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final

Approval Hearing, irrespective of whether they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

23. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

24. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

25. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share and employer's share (i.e., Employer Taxes) of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share less these employee share and employer share of taxes and withholdings). All employer taxes will be paid from the Individual Settlement Shares, and under no circumstances will Defendant be responsible for paying any additional amount above the Maximum Settlement Amount (which is inclusive of all employer taxes and withholdings) for employer share or employee share taxes. Each

Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

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

27. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement, the Class Notice, or any other communications to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other communication regarding the Settlement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees understand and agree that, except with respect to Employer Taxes, they will be solely responsible for correctly characterizing any compensation received under the Settlement on their personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

28. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, (AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT

ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

29. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

30. Class Settlement Release. Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

31. PAGA Settlement Release. Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff, the State of California with respect to PAGA Employees, and PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff and the PAGA Employees.

32. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for Plaintiff's motion for preliminary approval of the Settlement and submit this Settlement Agreement to

the Court in support of said motion. Plaintiff shall provide Defendant with an opportunity to review and provide feedback regarding the draft motion for preliminary approval prior to filing it with the Court, and Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

a. Conditionally certifying the Class for settlement purposes only;

b. Granting Preliminary Approval of the Settlement;

c. Preliminarily appointing Plaintiff as representative of the Class;

d. Preliminarily appointing Class Counsel as counsel for the Class;

e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by U.S. Mail;

f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and

g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

33. <u>Duties of the Parties with Respect to Obtaining Final Approval of the Settlement</u>. After the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiff's motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and Costs, Enhancement Payment, and Settlement Administration Costs. By way of said motion, Plaintiff will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Certification of the Settlement Class;

c. Appointment of Plaintiff as representative of the Settlement Class;

d. Appointment of Class Counsel as counsel for the Settlement Class;

e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

f. Approval of the application for Enhancement Payment to Plaintiff;

g. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and

h. Entering judgment in this Action, while maintaining continuing jurisdiction to implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

34. Effects of Termination of the Settlement. In the event that the Settlement Agreement is not approved by the Court, such a development shall have the following effects:

a. The Settlement Agreement and all negotiations, 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 Actions prior to the execution of the Settlement Agreement;

b. Neither this Settlement Agreement, nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

c. Any documents generated to bring the Settlement into effect, will be null and void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

35. Escalator Clause. Defendant represents that, during the period from August 16, 2017 through October 11, 2023, the Class Members consisted of approximately 777 individuals with approximately 58,000 Workweeks. If it is determined that the total number of Workweeks exceed 58,000 by more than ten percent (10%) (i.e. exceeds 63,800) on the date the Court grants preliminary approval of the Settlement or March 31, 2024, whichever is earlier, then, at Defendant's option either: (a) the Maximum Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks above 63,800 Workweeks (e.g., if the threshold of 63,800 Workweeks is exceeded by 1%, the Maximum Settlement Amount will increase by 1%), or, (b) the Class Period will end as of the date the ten precent (10%) threshold was reached (i.e., the date on which the

Workweeks total reached 63,800) and such date shall be referred to as the "Alternate Class Period End Date." In the event that Defendant chooses to end the Class Period on the Alternative Class Period End Date, then the PAGA Period will also end on the Alternate Class Period End Date (and such date shall be referred to as the "Alternate PAGA Period End Date").

36. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

38. Limitation on Publicity. Plaintiff and Class Counsel agree not to issue press releases and engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA Employees. For avoidance of doubt, Class Counsel is not prohibited from referencing the Actions and the date on which the Court grants preliminary and/or final approval of the settlement of the Actions, all of which are public information, in its declarations filed in other actions for the purposes of demonstrating experience in handling class action and representative action lawsuits. Class Counsel shall not reference the amount of the Settlement in any such declarations. Furthermore, Plaintiff and Class Counsel is not prohibited from undertaking, and will undertake, any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

39. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal law, which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written

representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This Settlement Agreement 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.

40. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

41. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

42. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement 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 state or federal law.

43. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

44. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,

and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

45. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

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

47. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

48. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement valid and enforceable.

49. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the terms herein and agree to fully cooperate to implement the Settlement.

50. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any

contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local, or other applicable law.

51. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

52. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement 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 arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

53. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full by the Parties' respective counsel.

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

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55. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:	To Defendant:
Edwin Aiwazian, Esq. Joanna Ghosh, Esq. Yasmin Hosseini, Esq. **LAWYERS *for* JUSTICE, PC** 410 West Arden Avenue, Suite 203 Glendale, California 91203	Marc L. Jacuzzi Sarah E. Lucas **SIMPSON, GARRITY, INNES & JACUZZI, PC** 2175 N. California Blvd., Suite 710 Walnut Creek, CA 94596

56. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

57. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF SALINA GALLEGOS

Electronically Signed 2024-06-21 21:52:09 UTC - 99.91.15.10

Nintex AssureSign® 2df8a1b9-1b96-478a-a52b-b196013cb0f7

Dated: 06/21/2024, 2024

Salina Gallegos, Plaintiff

DEFENDANT CENTRAL VALLEY BUILDERS SUPPLY

Dated: June 10, 2024

By: Steve Patterson
President of Central Valley Builders Supply

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: June 21, 2024

Edwin Aiwazian
Joanna Ghosh
Matthew Richard Soto
Attorneys for Plaintiff and Proposed Class Counsel

SIMPSON, GARRITY, INNES & JACUZZI, PC

Dated: Jly 8, 2024

Marc L. Jacuzzi
Sarah E. Lucas
Attorneys for Defendant Central Valley Builders Supply

EXHIBIT A

<u>NOTICE OF CLASS ACTION SETTLEMENT</u>

Salina Gallegos v. Central Valley Builders Supply, Inc.
Napa County Superior Court Case No. 21-cv-001191
and
Salina Gallegos v. Central Valley Builders Supply, Inc.
Napa County Superior Court Case No. 21-cv-001446

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive an Individual Settlement Share.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Salina Gallegos ("Plaintiff") and Defendant Central Valley Builders Supply, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the cases entitled *Salina Gallegos v. Central Valley Builders Supply, Inc.*, Napa County Superior Court, Case No. 21-cv-001191 ("Class Action"), and *Salina Gallegos v. Central Valley Builders Supply, Inc.*, Napa County Superior Court, Case No. 21-cv-001446 (the "PAGA Action") (together, "the Consolidated Actions" or "Actions"). The settlement may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [date of Final Approval] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. <u>IMPORTANT DEFINITIONS</u>

"**Class**" means all current and former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the Class Period.

"**Class Member**" means an individual member of the Class.

"**Class Period**" means the time period from August 16, 2017, through [date of Preliminary Approval, March 31, 2024, or the date on which the escalator provision in paragraph 35 of the settlement agreement is triggered, whichever is sooner].

"**PAGA Employees**" means all current and former non-exempt, hourly-paid employees who were employed by Defendant in California at any time during the PAGA Period.

"**PAGA Period**" means the time period from February 9, 2020, through [date of Preliminary Approval or the date on which the escalator provision in paragraph 35 of the settlement agreement is triggered, whichever is sooner].

II. <u>BACKGROUND OF THE LAWSUIT</u>

On August 5, 2021, Plaintiff provided written notice to the Labor and Workforce Development Agency ("LWDA") and to Defendant of her intent to pursue civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") for Defendant's alleged violations of the California Labor Code ("PAGA Notice").

On August 16, 2021, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action, entitled *Salina Gallegos v. Central Valley Builders Supply*, Napa County Superior Court, Case No. 21-cv-001191 against Defendant for alleged violations of the California Labor Code.

On October 12, 2021, Plaintiff filed a separate action against Defendant asserting a single cause of action under PAGA, entitled *Salina Gallegos v. Central Valley Builders Supply*, Napa County Superior Court, Case No. 21-cv-001446, seeking civil penalties for Defendant's alleged violations of the California Labor Code. On February 1, 2022, the Napa County

Superior Court consolidated the Class Action and the PAGA Action for all purposes, and the Class Action (Napa County Superior Court Case No. 21-cv-001191) was deemed the lead case.

Plaintiff alleges that Defendant violated the California Labor Code by failing to pay all and overtime wages due; failing to provide compliant meal periods and associated premiums; failing to provide compliant rest periods and associated premiums; failing to pay all minimum wages due; failing to pay all wages timely during employment, failing to pay all wages timely at the time of termination; failing to provide complete, accurate, or properly formatted wage statements; failing to maintain requisite payroll records; failing to reimburse business expenses; unfair business practices under California Business and Professions Code section 17200, *et seq*., and engaged in conduct that gives rise to civil penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages, meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all material allegations set forth in the Actions, denies that it engaged in any wrongdoing or violated any statutory provisions, and has asserted numerous affirmative defenses in the cases. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Actions, the Released Class Claims, and the Released PAGA Claims. The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement").

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed [Simpluris, Inc.] as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Salina Gallegos as the representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Arby Aiwazian
Joanna Ghosh
Matthew Soto
Lawyers *for* Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020
Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Share, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Share), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by the Defendant that the claims in the Actions have merit or that the Defendant has any liability to Plaintiff or to Class Members. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members and PAGA Employees. The Court has made no ruling on the merits of the Class Members' claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Maximum Settlement Amount is Two Million Four Hundred and Ninety Thousand Dollars and Zero Cents ($2,490,000.00) (the "Maximum Settlement Amount"). The portion of the Maximum Settlement Amount that is available for payment to Settlement Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorneys' Fees and Costs, consisting of attorneys' fees in an amount not to exceed 35% of the Maximum Settlement Amount (i.e., $871,500.00 if the Maximum Settlement Amount remains $2,490,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty Thousand Dollars and Zero Cents ($20,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff for her services in the Actions; (3) payment to the Labor & Workforce Development Agency ("LWDA") in the amount of One Hundred and Eighty Seven Thousand Five Hundred Dollars and Zero Cents ($187,500.00) for its 75% portion of the PAGA Amount ("LWDA Payment") and the remaining 25%, (i.e., $62,500.00), will be paid to PAGA Employees on a *pro rata* basis ("PAGA Employee Amount"); and (4) Settlement Administration Costs in an amount not to exceed Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks that each Class Member worked for Defendant as an hourly-paid, non-exempt individual in California during the Class Period ("Workweeks"), which will be calculated by the Settlement Administrator by determining the number of weeks a Class Member was employed during the Class Period based on each Class Member's employment start and end dates during the Class Period and excluding any time the Class Member was on a leave of absence or was not employed by Defendant.

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members during the Class Period to yield the "Estimated Class Workweek Value," and multiplied each Class Member's individual Workweeks during the Class Period by the Estimated Class Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion ("Settlement Class Members") will be issued payment of their final Individual Settlement Share.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the 25% portion of the PAGA Employee Amount attributed to PAGA Employees, i.e., $62,500, ("Individual PAGA Payment") based on the PAGA Employees' Workweeks during the PAGA Period, which will be calculated by the Settlement Administrator.

The Settlement Administrator has divided the PAGA Employee Amount by the Workweeks during the PAGA Period for all PAGA Employees to yield the "PAGA Workweek Value," and multiplied each PAGA Employee's individual Workweeks during the PAGA Period by the PAGA Workweeks Value to yield his or her Individual PAGA Payment (which is listed in Section III.C below). PAGA Employees shall receive an Individual PAGA Payment and shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

Each Individual Settlement Share will be allocated as twenty percent (20%) wages which will be reported on an IRS Form W2 and eighty percent (80%) penalties, interest, and non-wage damages which will be reported on an IRS Form 1099 (if required). Each Individual Settlement Share will be subject to reduction for the employee's share and employer's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, resulting in a net payment to the Settlement Class Member ("Individual Settlement Payment"). Any payment for an Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on an IRS Form 1099-MISC, if necessary.

If the Court grants final approval of the Settlement, Individual Settlement Payments and/or Individual PAGA Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant's Records

According to Defendant's records, you have been credited with [_______] Workweeks during the Class Period, i.e., from August 16, 2017, through [date of Preliminary Approval, March 31, 2024, or the date on which the escalator provision in paragraph 35 of the settlement agreement is triggered, whichever is sooner]**.**

According to Defendant's records, you have been credited with [_____] Workweeks during the PAGA Period, i.e., from February 9, 2020, through [date of Preliminary Approval or the date on which the escalator provision in paragraph 35 of the settlement agreement is triggered, whichever is sooner**].**

If you wish to dispute the Workweeks credited to you, you may submit your dispute by way of written letter that is sent to the Settlement Administrator ("Workweeks Dispute"). A Workweeks Dispute must: (a) contain the case name and number of the Class Action; (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (d) attach any documentation that you have to support the dispute; and (e) be returned by mail to the Settlement Administrator at the specified address listed below (Section IV.B), postmarked no later than **[Response Deadline]**.

C. Your Estimated Individual Settlement Share and/or Individual PAGA Payment

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you during the Class Period and your estimated Individual PAGA Payment is based on the number of Workweeks credited to you during the PAGA Period.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be $__________. The Individual Settlement Share is subject to reduction for employee's share and employer's share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your Individual PAGA Payment is estimated to be $__________ and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties from any and all Released Class Claims he or she may have or had.

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiff, all PAGA Employees, and the State of California (with respect to employment of PAGA Employees by Defendant during the PAGA Period) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all Released PAGA Claims he, she, or it may have or had.

"Released Class Claims" means all claims and causes of action that were alleged in the operative complaint in the Class Action or that reasonably could have been alleged based on the factual allegations in the operative complaint in the Class Action, arising during the Class Period, against any of the Released Parties, for violations of the California Labor Code, including inter alia sections 200, 201, 202, 203, 204, 226, 226.7, 510, 511, 512, 558(a)(3), 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 1-2001, 4-2001, 7-2001, and 16-2001), for failure to pay all and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; failure to reimburse business expenses; unfair business practices under California Business and Professions Code section 17200, *et seq*. for the aforementioned alleged violations; and attorneys fees under California Code of Civil Procedure section 1021.5 or any other statutory provision.

"Released PAGA Claims" means all claims and causes of action for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq*. that were alleged in the PAGA Notice and operative complaint in the PAGA Action or that reasonably could have been alleged based on the factual allegations in the PAGA Notice and operative complaint in the PAGA Action, arising during the PAGA Period against any of the Released Parties, for violations of the California Labor Code, including inter alia sections 201, 202, 203, 204, 226, 226.7, 510, 511, 512, 551, 552, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 1-2001, 4-2001, 7-2001, and 16-2001) for failure to pay all and overtime wages due;

failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment, failure to pay all wages timely at the time of termination; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite payroll records; and failure to reimburse business expenses.

"Released Parties" means Central Valley Builders Supply and each of its past, present, and/or future, direct and/or indirect, officers, directors, members, managers, exempt employees, agents, representatives, insurers, partners, investors, shareholders, parent companies, subsidiaries, divisions, predecessors, successors, assigns, and joint venturers.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will request and Defendant will not oppose attorneys' fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., $871,500.00 if the Maximum Settlement Amount remains $2,490,000.00) and reimbursement of litigation costs and expenses not to exceed Twenty Thousand Dollars and Zero Cents ($20,000.00) (collectively, "Attorneys' Fees and Costs"), subject to approval by the Court. All Attorneys' Fees and Costs awarded by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents ($10,000.00) ("Enhancement Payment"), in recognition of her services in connection with the Actions. The Enhancement Payment will be paid from the Maximum Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to her individual settlement payments that she is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) ("Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Workweeks Dispute, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon if the Court grants final approval of the Settlement, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Employee, you will automatically be bound to the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above. PAGA Employees may not opt-out of the PAGA Settlement.

As a Class Member and/or PAGA Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written letter ("Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Class Action; (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) contain a clear written statement indicating that you seek exclusion from the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked no later than **[The Response Deadline]**, at the following mailing address:

[Settlement Administrator]
[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Any Class Members who do not submit a valid and timely Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as the contemplated judgment to be entered by the Court (as it pertains to the PAGA Settlement), if the Court grants final approval of the Settlement. However, consistent with applicable law, PAGA Employees may not exclude themselves from the PAGA Settlement and will be bound by all terms of the PAGA Settlement, including those pertaining to the release of Released PAGA Claims described in Section III.D above, and any judgment that may be entered by the Court (as it pertains to the PAGA Settlement) if it grants final approval of the Settlement, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection ("Objection") to the Settlement Administrator or presenting your objection at the Final Approval Hearing

An Objection must: (a) contain the case name and number of the Class Action; (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked no later than [**The Response Deadline**].

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department of the Napa County Superior Court, located at the Napa County -Historic Courthouse at 825 Brown Street Napa CA United States 94559, on [**______**] to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear in person or remotely at the hearing if you wish to. Instructions to appear remotely are provided by the Court at https://www.napa.courts.ca.gov/general-information/remote-appearance. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through counsel.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records, including the Final Approval Order and Judgement in the Actions for a fee by visiting the civil clerk's office, office during business hours (you must make an appointment prior to visiting the civil clerk's office), located at the Napa County Historic Courthouse, 825 Brown Street, Napa, California 94559, or by online by visiting the following website: https://portal.napa.courts.ca.gov/Secure/.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT].

EXHIBIT 2

August 5, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***CENTRAL VALLEY BUILDERS SUPPLY***

Dear Representative:

We have been retained to represent Salina Gallegos against Central Valley Builders Supply (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "CVBS") for violations of California wage-and-hour laws. Ms. Gallegos seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Ms. Gallegos seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

CVBS employed Ms. Gallegos as an hourly-paid, non-exempt employee from approximately July 2014 to approximately April 2020, in the State of California. Pursuant to the Emergency Rules Related to COVID-19, Rule 9(a), "the statutes of limitation and repose for civil causes of action that exceed 180 days are tolled from April 6, 2020, until October 1, 2020."

The "aggrieved employees" that Ms. Gallegos may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, CVBS has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 1-2001, 4-2001, 7-2001, and 16-2001.

CVBS required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. CVBS rounded the work time recorded by aggrieved employees in a manner that was not fair and neutral on its face and/or that favored CVBS over time, resulting in aggrieved employees being underpaid for their time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Gallegos and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Ms. Gallegos and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, CVBS required Ms. Gallegos and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. CVBS also required aggrieved employees to stay on work premises during rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, CVBS failed to pay Ms. Gallegos and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, CVBS failed to pay Ms. Gallegos and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, CVBS did not provide Ms. Gallegos and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from CVBS were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Gallegos and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Gallegos and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Gallegos and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Gallegos and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Gallegos and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, CVBS failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Ms. Gallegos and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, CVBS did not provide Ms. Gallegos and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, 7-2001, and 16-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, CVBS failed to pay Ms. Gallegos and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Ms. Gallegos and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, CVBS failed to pay Ms. Gallegos and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Ms. Gallegos and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Gallegos and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by CVBS.

Therefore, on behalf of all aggrieved employees, Ms. Gallegos seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Central Valley Builders Supply
c/o Michael Murphy
Agent for Service of Process
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Napa, CA 94559

Central Valley Builders Supply
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