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**SUPERIOR COURT OF CALIFORNIA
IN AND FOR THE COUNTY OF STANISLAUS**

MAYRA TORRES, individually, and on behalf of other members of the general public similarly situated,	)	Case No.: CV-21-004762
	)	
Plaintiff,	)	CLASS ACTION SETTLEMENT
	)	AGREEMENT
vs.	)	
	)	
MANUEL VILLA ENTERPRISES, INC., a California corporation; MV3, INC., a California corporation; and DOES 1 through 10, inclusive,	)	
	)	
Defendants.	)	

This Class Action Settlement is made and entered into between Plaintiff Mayra Torres (“Plaintiff”) on behalf of herself, as a representative of the Settlement Class, and as a Private Attorney General on behalf of the State of California under PAGA (as defined below) and Defendant Manuel Villa Enterprises, Inc., a California corporation (“Defendant”), (Plaintiff and Defendant hereinafter are collectively referred to as the “Parties”). This is a non-reversionary

1 checks-mailed settlement and Defendant (as defined below) shall pay 100% of the Gross
2 Settlement Amount (as defined below). This Settlement Agreement is subject to the approval of
3 the Court, pursuant to California Rules of Court, Rule 3.769(c), (d) and (e), and is made for the
4 sole purpose of attempting to consummate settlement of the Action on a class-wide basis subject
5 to the following terms and conditions. As detailed below, in the event the Court does not enter an
6 order granting final approval of the Class Settlement, as defined below, or the conditions precedent
7 are not met for any reason, this Settlement is void and of no force or effect whatsoever.

8 **I. DEFINITIONS**

9 As used in this Settlement Agreement, the following terms shall have the meanings
10 specified below. To the extent terms or phrases used in this Settlement Agreement are not
11 specifically defined below, but are defined elsewhere in this Settlement Agreement, they are
12 incorporated by reference into this definition section.

13 **A. Action.** “Action” shall mean the above captioned action titled *Mayra Torres, an*
14 *individual, and on behalf of herself and others similarly situated, PLAINTIFF v. MANUEL VILLA*
15 *ENTERPRISES, INC., a California corporation; MV3, INC.; and DOES 1 through 10, inclusive,*
16 *Defendants*, Stanislaus County Superior Court, Case No. CV-21-004762.

17 **B. Administrative Expenses.** “Administrative Expenses” shall include all costs and
18 expenses associated with and paid to the third-party Settlement Administrator, which are
19 anticipated not to exceed \$10,500.00.

20 **C. Aggrieved Employee.** “Aggrieved Employee” shall mean all persons who were
21 employed by Defendant in the State of California in non-exempt positions at any time during the
22 period from August 30, 2020 to February 27, 2023. There are approximately 237 Aggrieved
23 Employees.

24 **D. Class Attorney Fees and Expenses.** “Class Attorney Fees and Expenses” shall
25 mean Class Counsel’s attorney fees and expenses as set forth in Section IV.G.

26 **E. Class Counsel.** “Class Counsel” shall mean Raul Perez and Bevin Allen Pike of
27 Capstone Law APC.

1 **F. Class, Settlement Class, Class Member or Settlement Class Member.** “Class,”
2 “Settlement Class,” “Class Member,” or “Settlement Class Member” shall mean all individuals
3 employed by Defendant in the State of California in non-exempt positions at any time during the
4 period from April 20, 2017 to February 27, 2023. There are approximately 644 Class Members.

5 **G. Class Notice.** “Class Notice” shall mean the Notice of Proposed Class Action
6 Settlement and Hearing Date for Court Approval, as set forth in the form of **Exhibit “A”** attached
7 hereto, or as otherwise approved by the Court, which is to be mailed to Class Members.

8 **H. Class Participants.** “Class Participants” shall mean any and all Class Members
9 who do not timely Opt-Out of the Class Settlement.

10 **I. Class Period.** “Class Period” shall mean the period from April 20, 2017 to
11 February 27, 2023.

12 **J. Class Representative.** “Class Representative” shall mean Plaintiff Mayra Torres.

13 **K. Class Settlement.** “Class Settlement” shall mean the settlement embodied in this
14 Settlement Agreement, which is subject to Court approval.

15 **L. Court.** “Court” shall mean the Stanislaus County Superior Court.

16 **M. Released Parties.** “Released Parties” shall mean and refer to Manuel Villa
17 Enterprises, Inc., a California corporation and all of its current, former and future parents,
18 subsidiaries, dbas, divisions, related entities, joint ventures and affiliated entities, and each of their
19 respective current, former and future owners, officers, directors, shareholders, stockholders,
20 executives, partners, employees, co-employers, joint employers, investors, members, principles,
21 subsidiaries, affiliates, insurers, reinsurers, managers, agents, heirs, spouses, associates,
22 representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored
23 employee benefit plans of any nature, predecessors, successors, assigns, attorneys, including, but
24 not limited to, Manuel R. Villa, Maria Romo, and Bertha Rodriguez Villa,¹ individually and in
25 their representative capacities.

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¹ The Parties will stipulate to the filing of a Second Amended Complaint to add a reference to
Bertha Rodriguez Villa as an owner of Manuel Villa Enterprises, Inc.

1 **N. Defense Counsel.** “Defense Counsel,” Defendant’s Counsel” shall mean Raquel
2 A. Hatfield of Henderson Hatfield, APC.

3 **O. Effective Date.** “Effective Date” shall mean the first business day following the
4 last of the following occurrences: (i) if no Class Member timely and properly intervenes, files a
5 timely motion to vacate the Judgment under, or objects to the Settlement, then the date the Court
6 enters an order granting Final Approval of the Settlement; (ii) if a Class Member timely intervenes
7 or files a timely motion to vacate the judgment or objects to the Settlement, then sixty-one (61)
8 days following the date the Court enters an order granting final approval, assuming no appeal is
9 filed; or (iii) if a Class Member timely intervenes or files a motion to vacate the Judgment, or
10 objects to the Settlement, and files a timely appeal, then the date of final resolution of that appeal
11 (including any requests for rehearing and/or petitions for certiorari), resulting in final and complete
12 judicial approval of the Settlement in its entirety, with no further challenge to the Settlement being
13 possible.

14 **P. Final Approval and Fairness Hearing.** “Final Approval and Fairness Hearing”
15 shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the
16 Class Settlement.

17 **Q. Gross Settlement Amount.** “Gross Settlement Amount” or “GSA” is the agreed
18 upon non-reversionary settlement amount totaling \$480,000.00, which represents the non-
19 reversionary amount payable in this Settlement by Defendant and includes attorneys’ fees and
20 costs, costs of settlement administration by the Settlement Administrator, the Service Payment to
21 the Class Representative of up to \$10,000.00, payment in the total amount of \$10,000.00 for
22 Private Attorneys General Act (“PAGA”) penalties 75% or \$7,500.00 of which will be paid to the
23 Labor & Workforce Development Agency (“LWDA”), and 25% or \$2,500.00 will be paid to
24 Aggrieved Employees.

25 **R. Hearing on Preliminary Approval.** “Hearing on Preliminary Approval” shall
26 mean the hearing held on the motion for preliminary approval of the Class Settlement.

27 **S. Individual Settlement Amount.** “Individual Settlement Amount” shall mean the
28 amount which is ultimately distributed to each Class Participant.

1 **T. PAGA Period.** “Class Period” shall mean the period from September 7, 2020 to
2 February 27, 2023.

3 **U. Plaintiff.** “Plaintiff” shall mean the named Plaintiff Mayra Torres.

4 **V. Released Class Claims.** “Released Class Claims” shall mean any and all causes
5 of action or claims that were asserted in the November 17, 2021 First Amended Complaint
6 (“FAC”) against Defendant for: (1) Unpaid Overtime; (2) Unpaid Minimum Wages; (3) Failure to
7 Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Non-Compliant Wage
8 Statements and Failure to Maintain Payroll Records; (6) Wages Not Timely Paid on Termination;
9 (7) Failure to Timely Pay Wages During Employment; (8) Unreimbursed Business Expenses; (9)
10 Unlawful Business Practices; and (10) Unfair Business Practices. The Released Class Claims do
11 not include any claims for workers compensation, unemployment, or disability benefits or any
12 other claims that cannot legally be waived.

13 **W. Released PAGA Claims.** “Released PAGA Claims” shall mean any and all claims
14 for PAGA civil penalties that were asserted in the November 17, 2021 First Amended Complaint
15 (“FAC”) against Defendant, including PAGA civil penalties for: (1) Unpaid Overtime; (2) Unpaid
16 Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest
17 Periods; (5) Non-Compliant Wage Statements and Failure to Maintain Payroll Records; (6) Wages
18 Not Timely Paid on Termination; (7) Failure to Timely Pay Wages During Employment; (8)
19 Failure to Provide Suitable Seating; (9) Failure to Provide Written Notice of Information Material
20 to Employment; and (10) Unreimbursed Business Expenses.

21 **X. Service Award.** “Service Award” shall mean the amount approved by the Court,
22 not to exceed \$10,000.00, to be paid to the Class Representative in recognition of her efforts and
23 time on behalf of the Class and as consideration for a full, general, and comprehensive release and
24 Civil Code section 1542 waiver of the Class Representative’s Released Claims.

25 **Y. Net Settlement Amount.** “Net Settlement Amount” shall mean the Gross
26 Settlement Amount minus Settlement Administration Expenses, Class Attorney Fees and
27 Expenses, the PAGA penalties totaling \$10,000.00, and the Service Award.

Z. Opt-Out(s). “Opt-Out(s)” shall mean any and all Class Members who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

AA. PAGA Payment. “PAGA Payment” means the penalties pursuant to California Labor Code sections 2698, *et seq.*, the PAGA, that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$10,000.00 for PAGA penalties 75% or \$7,500.00 of which will be paid to the LWDA, and 25% or \$2,500.00 (“PAGA Fund”) will be paid to Aggrieved Employees. Class Counsel shall give timely notice of the Class Settlement to the LWDA under Labor Code section 2699(1)(2). Since PAGA does not permit employees to opt-out, any Aggrieved Employee who opts out shall still receive their pro-rata share of the PAGA penalties. *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1122 (9th Cir. 2014) (explaining that PAGA “has no notice requirement for unnamed aggrieved employees, nor may such employees opt out of a PAGA action.”); accord *Arias v. Sup. Ct.* 46 Cal.4th 969, 986-987 (2009); *Williams v. Sup. Ct.*, 3 Cal.5th 531, 547, fn. 4 (2017) (explaining that aggrieved employees “do not own a personal claim for PAGA civil penalties...and whatever personal claims the absent employees might have for relief are not at stake”).

BB. Parties. “Parties” shall mean Plaintiff and Defendant.

CC. Preliminary Approval Date. “Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Settlement Agreement.

DD. Response Deadline. “Response Deadline” shall mean the date forty-five (45) days following the date on which the Settlement Administrator first mails Class Notice to the Settlement Class Members.

EE. Settlement. “Settlement” shall mean the settlement between the Parties, which is memorialized in this Settlement Agreement and subject to approval by the Court.

FF. Settlement Administrator. “Settlement Administrator” shall mean CPT Group (or another administrator to be agreed by the parties) who will be responsible for administration of the Settlement and related matters.

II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION

1 **A. Plaintiff's Claims and Procedural History.** Plaintiff alleges that Defendant
2 allegedly violated unlawful practices and policies, in violation of California state wage and hours
3 laws for: (1) Unpaid Overtime; (2) Unpaid Minimum Wages; (3) Failure to Provide Meal Periods;
4 (4) Failure to Authorize and Permit Rest Periods; (5) Non-Compliant Wage Statements and Failure
5 to Maintain Payroll Records; (6) Wages Not Timely Paid on Termination; (7) Failure to Timely
6 Pay Wages During Employment; (8) Unreimbursed Business Expenses; (9) Unlawful Business
7 Practices; and (10) Unfair Business Practices. On November 17, 2021, Plaintiff filed a First
8 Amended Complaint ("FAC"), adding a claim for Civil Penalties for Violations of California
9 Labor Code, Pursuant to PAGA §§ 2698, *et seq.* The Parties mediated the matter with well-
10 respected third-party neutral Daniel J. Turner, Esq. on February 27, 2023. The Parties accepted the
11 Mediator's proposal and reached a settlement on February 28, 2023. At all times, the Parties'
12 settlement negotiations have been non-collusive, adversarial, and at arm's length.

13 **B. Discovery, Investigation, and Research.** In advance of the Mediation and the
14 submission of the Preliminary Approval Papers, Class Counsel conducted a detailed investigation
15 of the Settlement Class' putative claims. This discovery and investigation among other things,
16 information about: (a) the number of Class Members/Aggrieved Employees (644), the number of
17 pay periods at issue (15,793); (b) investigation into the viability of class treatment of the claims
18 asserted in the Action; (c) analysis of potential class-wide damages, including information
19 sufficient to understand Defendant's potential defenses to Plaintiff and the Settlement Class
20 Members' claims; (d) research of the applicable law with respect to the claims asserted in the
21 Complaint and the potential defenses thereto; and (e) review and analysis of information provided
22 by Defendant about its relevant practices.

23 The Parties agree that the above-described investigation and evaluation, as well as
24 discovery and the information exchanged during the settlement negotiations, are more than
25 sufficient to assess the merits of the Parties' respective positions and to compromise the issues on
26 a fair and equitable basis. The Parties have engaged in sufficient investigation and discovery to
27 assess the relative merits of the claims of the Class Representative and of Defendant's defenses to
28 them.

1 **C. Benefits of Class Settlement.** The extensive informal discovery conducted in this
2 matter have been adequate to give the Class Representative and Class Counsel a sound
3 understanding of the merits of their positions and to evaluate the worth of the claims of the
4 Settlement Class. The informal discovery conducted in this Action and the information exchanged
5 by the Parties through discovery and settlement discussions are sufficient to reliably assess the
6 merits of the Parties' respective positions and to compromise the issues on a fair and equitable
7 basis.

8 Plaintiff and Class Counsel believe that the claims, causes of action, allegations and
9 contentions asserted in the Action have merit. Class Counsel has diligently pursued an
10 investigation of Plaintiff's claims against Defendant. Based on their own independent
11 investigation and evaluation, Class Counsel is of the opinion that settlement with Defendant for
12 the consideration and on the terms set forth in this Settlement is fair, reasonable, and adequate, and
13 is in the best interest of the Settlement Class in light of all known facts and circumstances and the
14 various factual and legal defenses asserted by Defendant.

15 Plaintiff and Class Counsel also recognize and acknowledge the expense and delay of
16 continued lengthy proceedings necessary to prosecute the Action against Defendant through trial
17 and through appeals. Class Counsel has taken into account the uncertain outcome of the litigation,
18 the risk of continued litigation in complex actions such as this, as well as the difficulties and delays
19 inherent in such litigation. Plaintiff is mindful of the potential challenges and possible defenses to
20 the claims alleged in the Action.

21 Plaintiff and Class Counsel believe that the Settlement set forth in this Settlement
22 Agreement confers substantial benefits upon Class Members and that an independent review of
23 this Settlement Agreement by the Court in the approval process will confirm this conclusion.
24 Based on their own independent investigation and evaluation, Class Counsel has determined that
25 the Settlement set forth in the Settlement Agreement is in the best interests of the Class Members.

26 **D. Defendant's Denials of Wrongdoing and Liability.** Defendant has denied and
27 continues to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in
28 the Action. Defendant has expressly denied and continue to deny all charges of intentional or

1 knowing wrongdoing or liability against it arising out of any of the conduct, statements, acts, or
2 omissions alleged in the Action. Defendant contends that there is a good faith dispute as to whether
3 it intentionally or knowingly failed to comply in good faith with California's law related to the
4 issuance of itemized wage statements, that no Class Member or Aggrieved Employee was injured,
5 and it has dealt legally and fairly with Plaintiff and Settlement Class Members. Defendant further
6 denies that, for any purpose other than settling this Action, these claims are appropriate for class
7 or representative treatment. Nonetheless, Defendant has concluded that further proceedings in the
8 Action would be protracted and expensive and that it is desirable that the Action be fully and
9 finally settled in the manner and upon the terms and conditions set forth in this Settlement
10 Agreement in order to dispose of burdensome and protracted litigation, to permit the operation of
11 Defendant's business without further expensive litigation and the distraction and diversion of its
12 personnel with respect to matters at issue in the Action. Defendant has also taken into account the
13 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.
14 Defendant has, therefore, determined that it is desirable and beneficial to it that the Action be
15 settled in the manner and upon the terms and conditions set forth in this Settlement Agreement.

16 **E. Intent of the Class Settlement.** The Class Settlement set forth herein intends to
17 achieve the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment
18 of the Action; (3) the release of Defendant and Released Parties from liability for any and all of
19 the Released Class Claims and Released PAGA Claims.

20 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS** 21 **COUNSEL**

22 **A. The Settlement Class.** For the purposes of this Settlement Agreement, the Parties
23 agree to conditional class certification of the Settlement Class. Defendant's counsel believes this
24 conditional certification is appropriate because the Released Class Claims are being compromised
25 without need to establish the elements of those claims on which liability turns.

26 **B. Appointment of Class Counsel.** For purposes of this Settlement Agreement and
27 subject to the Court's approval, the Parties hereby agree to the appointment of Class Counsel as
28

counsel for the Class and the effectuation of the Class Settlement pursuant to this Settlement Agreement.

IV. CLASS SETTLEMENT CONSIDERATION

A. Settlement Amount. The Parties agree to settle this Action for the Gross Settlement Amount of \$480,000.00. There shall be no reversion to Defendant. The Gross Settlement Amount and other actions and forbearances taken by Defendant shall constitute adequate consideration for the Class Settlement and will be made in full and final settlement of: (a) the Released Class Claims and Released PAGA Claims, (b) Class Attorneys' Fees and Expenses, (c) Settlement Administrative Expenses, (d) the Service Award, (e) PAGA Payment to the LWDA, and (f) any other obligation of Defendant under this Settlement Agreement. After the Court issues an order preliminarily approving this Class Settlement, the Settlement Administrator will distribute the Class Notice to the Settlement Class Members, which shall describe the terms of the Class Settlement and procedures to opt out, object or participate in the Class Settlement.

B. Service Award for Class Representative. The Class Representative may petition the Court to approve a Service Award in an amount up to \$10,000.00 for her efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel. Defendant shall not oppose any request by Class Representative for a Service Award in such an amount. Any Service Award approved by the Court shall be paid to the Class Representative from the Gross Settlement Amount and shall be in addition to any distribution to which she may otherwise be entitled as a Settlement Class Member and Aggrieved Employee. The Service Award shall not be considered wages, and the Settlement Administrator shall issue the Class Representative an IRS Form 1099 reflecting such payment. The Class Representative shall be responsible for the payment of any and all taxes with respect to her Service Award and shall hold Defendant harmless and indemnify Defendant from any and all liability with regard thereto.

C. Payment to Class Participants. Each Class Participant shall be eligible to receive payment of the Individual Settlement Amount and shall receive a portion of the Net Settlement Amount on a pro rata basis calculated by dividing the total number of pay periods worked by an individual Class Participant during the Class Period by the total number of pay periods worked by

1 all Class Participants during the Class Period. As to a Class Member who opts out of the Settlement
2 by submitting a valid Request for Exclusion (as defined below), the Class Member's Total
3 Settlement Payment will not be paid to the Class Member and will be added to the Net Settlement
4 Amount and re-distributed among eligible Participating Class Members on a pro-rata basis.

5 **D. Payment to Aggrieved Employees.** Each Aggrieved Employee shall be eligible
6 to receive payment from the PAGA Fund on a pro rata basis calculated by dividing the total number
7 of pay periods worked by an individual Aggrieved Employee during the PAGA Period by the total
8 number of pay periods worked by all Aggrieved Employees during the PAGA Period.

9 **E. Tax Treatment and Payment.** The Parties agree that 85% of each settlement
10 amount shall constitute penalties and interest to be reported on an IRS form 1099 basis, and 15%
11 of each settlement amount shall constitute wages, to be reported on an IRS Form W-2. The Parties
12 understand that Plaintiff, the Class Participants, and Aggrieved Employees who receive any
13 payment pursuant to this Settlement Agreement shall be solely responsible for any and all other
14 individual tax obligations associated with this Class Settlement and Defendant shall have no
15 responsibility for state or federal income tax payments on the Individual Settlement Payments.

16 **F. No Effect on Employee Benefit Plans.** Neither the Class Settlement nor any
17 amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks
18 of service under any employee benefit plan, policy or bonus program sponsored by Defendant or
19 the Released Parties. Such amounts will not form the basis for additional contributions to, benefits
20 under, or any other monetary entitlement under Defendant's or the Released Parties' sponsored
21 benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement
22 Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary,
23 earnings, wages, or any other form of compensation for the purposes of any of Defendant or the
24 Released Parties' benefit plan, policy, or bonus program. Defendant and the Released Parties
25 retain the right to modify the language of its benefits plans, policies and bonus programs to effect
26 this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not
27 for "pay periods" or any similar measuring term as defined by applicable plans, policies and bonus
28 programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that

1 additional contributions or benefits are not required by this Settlement Agreement. Defendant and
2 the Released Parties do not consider the Class Settlement payments “compensation” for purposes
3 of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus
4 programs, or any other plan sponsored by Defendant or the Released Parties.

5 **G. Class Counsels’ Attorneys’ Fees and Expenses.** As part of the motion for final
6 approval of the Class Settlement, Class Counsel may submit an application for an award of Class
7 Attorney Fees and Expenses with the fee portion not to exceed one third of the Gross Settlement
8 Amount (i.e., \$480,000), or \$160,000.00, and the award of costs and expenses of up to an
9 additional \$10,000.00. Defendant agrees not to object to any such fee, cost, or expense application
10 in those amounts. As a condition of this Class Settlement, Class Counsel has agreed to pursue fees
11 only in the manner reflected by this Section. Any Class Attorneys’ Fees and Expenses awarded by
12 the Court shall be paid from the Gross Settlement Amount in arriving at the Net Settlement Amount
13 and shall not constitute payment to any Settlement Class Members. If the Court’s award of Class
14 Attorney Fees or Expenses is less than set forth above, the Net Settlement Amount shall be
15 recalculated to reflect the actual Class Attorney Fees and Expenses awarded and such amounts
16 shall be distributed to the Class.

17 The Class Attorney Fees and Expenses approved by the Court shall encompass: (a) all work
18 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
19 represent the Settlement Class through the date of this Settlement Agreement; (b) all work to be
20 performed and costs to be incurred in connection with approval by the Court of the Class
21 Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection
22 with administering the Class Settlement through the Effective Date; and (d) may be based on the
23 Catalyst Theory, Common Fund Doctrine, and/or other basis.

24 **V. SETTLEMENT ADMINISTRATION EXPENSES AND FUNDING**

25 **A. The Settlement Administrator’s Costs and Expenses.** All costs and expenses
26 due to the Settlement Administrator in connection with its administration of the Class Settlement,
27 including, but not limited to, providing the Class Notice, locating Settlement Class Members,
28 processing Opt-Out requests and objections, and calculating, administering, and distributing

Individual Settlement Amounts to the Class Participants and Aggrieved Employees, and related tax forms, shall be paid from the Gross Settlement Amount, and shall not exceed \$10,500.00.

B. Payments by Defendant. Defendant will make the payments comprising the Gross Settlement Amount in accordance with the following payment schedule:

- a. \$25,000.00 lump sum payment, payable once Preliminary Approval of the Class is granted;
- b. The remaining \$455,000 will be divided into 23 equal payments of \$19,782.61 each month. The first monthly installment payment will be due 30 days after the lump sum payment is made, and on the 15th of each month thereafter, until the GSA is paid in full.

VI. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS

A. The Settlement Administrator. The Settlement Administrator will be responsible for mailing the Class Notice (**Exhibit "A"**) to Settlement Class Members, handling inquiries from Settlement Class Members concerning the Class Notice, determination of Individual Settlement Amounts, maintaining the settlement funds in an appropriate account, preparing, administering and distributing Individual Settlement Amounts to Class Participants and Aggrieved Employees, issuing a final report and performing such other duties as the Parties may direct.

On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel summarizing any relevant information and updating them as to the number of validated and timely objections and Opt-Out Requests. The Settlement Administrator will serve on Class Counsel and Defense Counsel, via e-mail, date-stamped copies of the original Opt-Outs and objections no later than five (5) days after their receipt. The Settlement Administrator will provide Class Counsel with proof of mailing of the Class Notice, without listing individual Class Member names which the Settlement Administrator will file with the Court at the time Class Counsel files its motion in support of the Court's Final Approval and Fairness Hearing.

No later than fourteen (14) days prior to the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding (a) the total amount of final Individual Settlement Amounts

1 of each Class Participant and Aggrieved Employee (b) the number of Class Participants and
2 Aggrieved Employees to receive such payments, and (c) the final number of Opt-Outs and
3 objections.

4 Administrative Expenses are estimated not to exceed \$10,500.00. Prior to the calculation
5 and distribution of the Individual Settlement Amounts, the Settlement Administrator shall
6 calculate the total Administrative Expenses through the conclusion of their services and such actual
7 amount will be deducted from the Gross Settlement Amount prior to the final calculation of the
8 Individual Settlement Amounts. If the cost of administration is more than \$10,500.00, the
9 additional cost will come from the Gross Settlement Amount.

10 **B. Notice to Settlement Class Members.** Notice shall be provided to Settlement
11 Class Members in the following manner: Within 30 days after the Preliminary Approval Date,
12 Defendant shall provide the Settlement Administrator with a list of Class Members containing
13 names, social security numbers, last-known addresses and phone numbers, the total number of pay
14 periods worked by each Class Member during the Class Period, and the total number of pay periods
15 worked by each Aggrieved Employee during the PAGA Period (the "Database"). The Database
16 shall be marked "Confidential – Settlement Administrator's Eyes Only." Class Counsel shall not
17 receive a copy of this list.

18 Within 45 days following the Preliminary Approval Date, the Settlement Administrator
19 shall determine the number of pay periods for each Settlement Class Member during the Class
20 Period and PAGA Period, and will perform a national change of address search for each Class
21 Member, update the results based upon the search results, populate the data for the estimated
22 Individual Settlement Amount for each Settlement Class Member, and send each Settlement Class
23 Member the Class Notice via first-class, United States mail. The Class Notice shall also contain
24 an easily understood statement alerting the Class members that, unless they elect to Opt-Out of the
25 Class Settlement, the Settlement Class Member is releasing and waiving all Released Class Claims
26 against the Released Parties, and each Aggrieved Employee is releasing and waiving all Released
27 PAGA Claims.

1 The Class Notice will inform Settlement Class Members of his/her estimated Individual
2 Settlement Amount share. Class Members may dispute Defendant's records of the number of pay
3 periods worked during the Class Period and PAGA Period by submitting information to the
4 Settlement Administrator no later than 45 days after being mailed the Class Notice by the
5 Settlement Administrator, which is the defined "Response Deadline." The Settlement
6 Administrator will jointly work with Plaintiff and Defendant to resolve disputes in good faith. If
7 Plaintiff and Defendant cannot agree over the pay periods to be credited, the Settlement
8 Administrator shall make the final decision based on the information presented by the Settlement
9 Class Member and Defendant.

10 **C. Opt-Out Procedure.** Settlement Class Members who do not timely Opt-Out of
11 the Class Settlement will be deemed to participate in the Class Settlement and shall become a Class
12 Participant without having to submit a claim form or take any other action. In order to Opt-Out of
13 the Class Settlement, the Settlement Class Member must submit a letter or postcard to the
14 Settlement Administrator by the Response Deadline. The Opt-Out request must state the
15 Settlement Class Member's name and address for correspondence and identity verification
16 purposes, signature, and should state words to the effect of, "I WISH TO BE EXCLUDED FROM
17 THE SETTLEMENT CLASS IN TORRES V. MANUEL VILLA ENTERPRISES, INC., ET AL"
18 Absent a good cause finding by the Court, any Opt-Out request that is not postmarked by the
19 Response Deadline will be invalid. In the event that, prior to the Response Deadline, any Class
20 Notice mailed to a Settlement Class Member is returned as having been undelivered by the U.S.
21 Postal Service, the Settlement Administrator shall perform a skip trace search and seek an address
22 correction for such Settlement Class Member(s), and a second Class Notice will be sent to any
23 new or different address obtained. Such Settlement Class Member(s) shall have an additional 14
24 days in which to Opt-Out.

25 If the Settlement Administrator determines that an Opt-Out request returned by a
26 Settlement Class Member before the Response Deadline is deficient, then the Settlement
27 Administrator shall mail a deficiency letter to that Settlement Class Member identifying the
28 problem. If a Settlement Class Member submits both a dispute and an Opt-Out request, the

1 Settlement Administrator shall make reasonable attempts to clarify as if the Opt-Out request were
2 deficient. If the Class Member fails to cure the deficiency, the Opt-Out request shall be disregarded
3 and the claim will be paid, and the Class Member will become bound by the judgment. Those
4 Settlement Class Members who do not timely Opt-Out will be bound by the Release of Released
5 Class Claims set forth in this Settlement Agreement.

6 **D. Objections.** The Class Notice shall inform the Settlement Class Members of their
7 right to object to the Class Settlement. Any Settlement Class Member who wishes to object to the
8 Class Settlement should submit a written objection to the Settlement Administrator no later than
9 the Response Deadline. All Class Member objections must include the Class Member's name,
10 current address for correspondence and identity verification purposes, provide each specific reason
11 in support of the objection, be signed by the Class Member, and be postmarked by the Response
12 Deadline. Class Members need not include legal arguments for their written objections to be
13 considered. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in
14 person or through an attorney, he or she need not file a notice of intention to appear at the same
15 time as the objection is filed. Filing the notice of intention to appear is not necessary to preserve
16 the right to appear at the Final Approval and Fairness Hearing. Absent Class Members need not
17 file anything with the Court. The Settlement Administrator will promptly serve copies of any
18 objection or notice of intention to appear on Class Counsel and Defense Counsel. Settlement Class
19 Members may appear at the Final Approval Hearing, either in person (to the extent permitted
20 during the COVID-19 pandemic), through a remote method authorized by the Court, or through a
21 lawyer retained at their own expense. If a Class Member submits both a Request for Exclusion
22 and a written objection, the Settlement Administrator shall attempt to contact and determine
23 whether the Class Member would like to withdraw either the Request for Exclusion or the
24 objection. If the Class Member does not withdraw the Request for Exclusion or if the Settlement
25 Administrator cannot contact a Class Member who submits both a Request for Exclusion and an
26 objection, the Request for Exclusion shall be valid, and it shall be presumed that the Class Member
27 does not wish to participate in the Settlement.

E. Settlement Administrator Declaration. At least 30 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall specify the number of Settlement Class Members to whom Class Notices were sent and the number of Settlement Class Members to whom Class Notices were not delivered, as well as information relating to the number of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

VII. CLASS SETTLEMENT FUNDING AND DISTRIBUTION

A. Allocation of the Gross Settlement Amount. The claims of all Settlement Class Members are settled for the Gross Settlement Amount of \$480,000.00, which will be allocated as follows:

1. The Administrative Expenses, estimated not to exceed \$10,500.00;
2. The Class Attorney Fees and Expenses not to exceed \$160,000.00 in fees and expenses not to exceed \$10,000.00;
3. PAGA Payment of \$10,000.00, of which \$7,500.00 shall be paid to the LWDA and \$2,500.00 shall be paid to Aggrieved Employees, regardless whether they opt out of the Settlement Class;
4. Service Award, not to exceed \$10,000.00; and
5. The Net Settlement Amount, estimated to be \$279,500.00.

For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values in Section VII.A.1. – 4. prior to sending Notice to the Settlement Class Members. Prior to final distribution, the Settlement Administrator shall calculate the final Net Settlement Amount based on the actual values in Section VII.A.1. – 4.

Defendant and the Released Parties shall have no responsibility for deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement Agreement, shall have no responsibility for the determination or payment of Employee's Taxes,

1 and shall have no liability for any errors made with respect to such Employee's Taxes. Plaintiff
2 and Class Participants shall be solely responsible for any and all tax obligation associated with
3 their respective Individual Settlement Amounts.

4 **B. Time for Payment of Attorney Fees and Expenses to Class Counsel.** The
5 Settlement Administrator shall distribute to Class Counsel the attorneys' fees and expenses
6 approved by the Court to Class Counsel no later than 15 days after Defendant deposits the entirety
7 of the Gross Settlement Amount with the Settlement Administrator.

8 **C. Time for Payment of Service Award to Class Representative.** The Settlement
9 Administrator shall distribute to the Class Representative the Service Award approved by the Court
10 no later than 15 days after Defendant deposits the entirety of the Gross Settlement Amount with
11 the Settlement Administrator.

12 **D. Time for Payment of PAGA Payment to the LWDA.** The Settlement
13 Administrator shall distribute to the LWDA the portion of the PAGA Payment due to it and
14 approved by the Court no later than 15 days after Defendant deposits the entirety of the Gross
15 Settlement Amount with the Settlement Administrator.

16 **E. Time for Payment of Individual Settlement Amounts.** The Settlement
17 Administrator shall mail the Individual Settlement Amount to each Class Participant and
18 Aggrieved Employee, by first-class U.S. mail, to the last-known address no later than 15 days after
19 the Defendant deposits the entirety of the Gross Settlement Amount with the Settlement
20 Administrator. Under no circumstances shall the Settlement Administrator distribute checks to
21 Class Participants and Aggrieved Employees until all Individual Settlement Amounts have been
22 considered, calculated, and accounted for, and all of the remaining monetary obligations have been
23 calculated and accounted for. Within 200 days of the distribution of the Individual Settlement
24 Amounts to the Class Participants and Aggrieved Employees, the Settlement Administrator shall
25 provide to Class Counsel a declaration of payment. In the event that any Class Participant or
26 Aggrieved Employee is deceased, payment shall be made payable to the estate of that individual,
27 delivered to the executor or administrator of that estate, unless the Settlement Administrator has
28

1 received an affidavit or declaration pursuant to Cal. Probate Code § 13101, in which case payment
2 shall be made to the affiant(s) or declarant(s).

3 **F. Non-Cashed Settlement Checks.** Any funds associated with checks that have not
4 been cashed within 180 days, will become void and the Individual Settlement Amount associated
5 with the un-cashed check shall be paid out in accordance with Civil Code section 384 to a cy pres
6 agreed to by the Parties as required by Code of Civil Procedure section 384 or any other method
7 of distribution consistent with Code of Civil Procedure section 384. The cy pres recipient shall be
8 CASA of Stanislaus County or other mutually agreeable cy pres recipient should the Court not
9 approve the Parties' proposed beneficiary and/or as otherwise consistent with Code of Civil
10 Procedure section 384.

11 **VIII. NULLIFICATION OF THIS SETTLEMENT AGREEMENT**

12 **A. Non-Approval of the Settlement Agreement.** In the event that the Court fails to
13 approve the Settlement under the terms agreed to by the Parties, or if the appropriate appellate
14 court fails to uphold or affirm the Settlement or if the Settlement Agreement is otherwise
15 terminated: (1) the Settlement Agreement shall have no force and effect and the Parties shall be
16 restored to their respective positions prior to entering into it, and no Party shall be bound by any
17 of the terms of the Settlement Agreement; (2) Defendant and the Released Parties shall have no
18 obligation to make any payments to the Settlement Class Members, Aggrieved Employees,
19 Plaintiff, or Plaintiff's counsel; (4) all amounts deposited by Defendant with the Settlement
20 Administrator shall immediately be returned to Defendant; (4) any preliminary approval order,
21 final approval order or judgment, shall be vacated; and (5) the Settlement Agreement and all
22 negotiations, statements, proceedings and data relating thereto shall be deemed confidential
23 mediation settlement communications and not subject to disclosure for any purpose in any
24 proceeding. However, the Parties shall first make good faith efforts to resolve any issues raised
25 by the Court during the approval process.

26 **B. Parties' Rights to Void Class Settlement.** In the event that more than 5% of the
27 Class Members submit elections to opt-out of the settlement, Defendant will have the right to
28 rescind and terminate the Settlement without prejudice to its pre-settlement positions and defenses

1 in the litigation. Should the threshold for opt-outs be exceeded, the Settlement Administrator shall
2 notify lead counsel for all parties via email immediately. If Defendant void the Class Settlement
3 under this paragraph, they shall pay all Settlement Administrator fees and costs actually incurred.

4 **C. Invalidation.** Invalidation of any material portion of the Class Settlement shall
5 invalidate the Class Settlement in its entirety, unless the Parties shall subsequently agree in writing
6 that the remaining provisions of the Class Settlement are to remain in full force and effect.

7 **D. Stay Upon Appeal.** In the event of a timely appeal from the approval of the Class
8 Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to
9 continue funding the Gross Settlement Amount or take any further actions required by this
10 Settlement Agreement until all appeal rights have been exhausted by operation of law. Any
11 outstanding payments due from Defendant under the terms' of the payment plan shall be made
12 within 60 days of the resolution of any appeal of the Settlement or Judgment.

13 **IX. MOTION FOR COURT APPROVAL**

14 **A. Preliminary Approval.** Class Counsel will submit this Settlement Agreement to
15 the Court along with a Motion for Preliminary Approval of the Class Settlement.

16 **B. Final Approval.** The Final Approval and Fairness Hearing shall be held before the
17 Court unless the Court orders otherwise. At the Final Approval and Fairness Hearing, Plaintiff
18 shall move the Court for the entry of the final order certifying the Class for settlement purposes
19 only and approving the Class Settlement as being fair, reasonable, and adequate to the Class
20 Participants within the meaning of California Rules of Court, Rule 3.769(c), (d) and (e) and for
21 the entry of a final judgment of the Action consistent with the terms of the Class Settlement and
22 California Rule of Court 3.769(h). Class Counsel and Defense Counsel shall submit to the Court
23 such pleadings and/or evidence as may be required for the Court's determination. The Parties will
24 comply with the Court's Procedural Guidelines for final Approval of Class Action Settlements and
25 with Code of Civ. Proc. § 384 that the Parties participate in a compliance hearing regarding the
26 distribution of funds unless the Court takes such a hearing off-calendar after reviewing the
27 Settlement Administrator's declaration of compliance or pursuant to another Court order.

28 **X. RELEASES AND WAIVERS**

1 **A. Release of Claims by Settlement Class.** Upon the Effective Date, each Settlement
2 Class Member who has not submitted a timely Opt-Out request, and Plaintiff, each releases the
3 Defendant and the Released Parties, and each of them, of and from any and all Released Class
4 Claims during the Class Period.

5 It is the desire of the Parties and the Settlement Class Members to fully, finally, and forever
6 settle, compromise, and discharge the Released Class Claims.

7 Each Settlement Class Member, except those who timely Opt-Out, will be bound to the
8 release of Released Class Claims as a result of the Class Settlement and to the terms of the final
9 judgment and the satisfaction of such judgment.

10 **B. Release of Claims by Aggrieved Employees.** Upon the Effective Date, each
11 Aggrieved Employee, and Plaintiff, each releases the Defendant and the Released Parties, and each
12 of them, of and from any and all Released PAGA Claims during the PAGA Period.

13 It is the desire of the Parties and the Aggrieved Employees to fully, finally, and forever
14 settle, compromise, and discharge the Released PAGA Claims.

15 **C. Release of Claims by Plaintiff.**

16 Plaintiff, on behalf of herself and her heirs, executors, administrators, and representatives,
17 shall and does hereby forever releases, discharges and agrees to hold harmless the Released Parties
18 from any and all charges, complaints, claims, liabilities, obligations, promises, agreements,
19 controversies, damages, penalties, actions, causes of action, suits, rights, demands, costs, losses,
20 debts and expenses (including attorney fees and costs), known or unknown, at law or in equity,
21 which they may now have or may have as of the signing of this Settlement Agreement, arising out
22 of or in any way connected with her employment with Defendant including, the Released Class
23 Claims and Released PAGA Claims, claims that were asserted or could have been asserted in the
24 Complaint, and any and all transactions, occurrences, or matters between the Parties occurring
25 prior to the date this Settlement Agreement is fully executed. Without limiting the generality of
26 the foregoing, this release shall include, but not be limited to, any and all claims under the (a)
27 Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as
28 amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age

1 Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as amended;
2 (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the
3 Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the
4 Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair
5 Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p)
6 the California Government Code; (q) the California Civil Code; (r) the California Wage Orders,
7 and (s) any and all other federal, state and local statutes, ordinances, regulations, rules and other
8 laws, and any and all claims based on constitutional, statutory, common law or regulatory grounds
9 as well as any other claims based on theories of wrongful or constructive discharge, breach of
10 contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or
11 negligent infliction of emotional distress, or damages under any other federal, state or local
12 statutes, ordinances, regulations, rules or laws. This release is for any and all relief, no matter how
13 denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses,
14 compensatory damages, tortious damages, liquidated damages, punitive damages, damages for
15 pain and suffering, penalties and attorney fees and costs (except as provided by this agreement),
16 and Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendant and the
17 Released Parties from any and all claims for attorney fees and costs arising out of the matters
18 released in this Settlement Agreement. This release expressly excludes any claims by Plaintiff to
19 enforce this Settlement Agreement.

20 Plaintiff specifically acknowledges that she is aware of and familiar with the provisions of
21 Section 1542, which provides as follows:

22
23 **A general release does not extend to claims that the creditor or**
24 **releasing party does not know or suspect to exist in his or her favor at**
25 **the time of executing the release and that, if known by him or her,**
would have materially affected his or her settlement with the debtor or
released party.

26 Plaintiff, being aware of Section 1542, hereby expressly waives and relinquishes all rights
27 and benefits she may have under Section 1542 as well as any other statutes or common law
28 principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from

1 those which she now knows or believes to be true with respect to the subject matter of all the
2 claims referenced herein, but stipulates and agrees that, upon the Effective Date, Plaintiff shall and
3 hereby does fully, finally and forever settle and release any and all claims against the Defendant
4 and the Released Parties, known or unknown, suspected or unsuspected, contingent or non-
5 contingent, that were asserted or could have been asserted upon any theory of law or equity without
6 regard to the subsequent discovery of existence of such different or additional facts.

7 **XI. DUTIES OF THE PARTIES**

8 **A. Mutual Full Cooperation.** The Parties agree to cooperate fully with one another
9 to accomplish and implement the terms of this Settlement Agreement. Such cooperation shall
10 include, but not be limited to, execution of such other documents and the taking of such other
11 actions as may reasonably be necessary to fulfill the terms of this Class Settlement. The Parties
12 shall use their best efforts, including all efforts contemplated by this Settlement Agreement and
13 any other efforts that may become necessary by court order or otherwise, to effectuate this
14 Settlement Agreement and the terms set forth herein. As soon as practicable after execution of
15 this Settlement Agreement, Class Counsel, with the cooperation of Defendant and Defense
16 Counsel, shall take all necessary and reasonable steps to secure the Court's approval of this
17 Settlement Agreement. The Parties will work together to make any non-material modifications of
18 the Settlement requested by the Court to obtain approval of the Parties' Proposed Settlement.

19 **B. Duty to Support and Defend the Class Settlement.** The Parties agree to abide by
20 all of the terms of the Class Settlement in good faith and to support the Class Settlement fully and
21 to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal
22 or collateral attack, provided, however, that Defendant shall not be obligated to formally appear in
23 the Action unless the Court otherwise requires, nor file any motion or appeal.

24 **C. Duties Prior to Court Approval.** Class Counsel shall promptly submit this
25 Settlement Agreement with the Court for preliminary approval and determination by the Court as
26 to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement
27 Agreement, Class Counsel shall apply to the Court for the entry of a preliminary order, scheduling
28 a hearing on the question of whether the proposed Class Settlement should be approved as fair,

1 reasonable, and adequate as to the Settlement Class Members, approving as to form and content
2 the proposed Class Notice attached hereto as Exhibit A, respectively, and directing the mailing of
3 the Class Notice to Settlement Class Members.

4 **XII. MISCELLANEOUS PROVISIONS**

5 **A. Different Facts.** The Parties hereto, and each of them, acknowledge that, except
6 for matters expressly represented herein, the facts in relation to the dispute and all claims released
7 by the terms of this Settlement Agreement may turn out to be other than or different from the facts
8 now known by each party and/or its counsel, or believed by such Party or counsel to be true, and
9 each Party therefore expressly assumes the risk of the existence of different or presently unknown
10 facts, and agrees that this Settlement Agreement shall be in all respects effective and binding
11 despite such difference.

12 **B. No Prior Assignments.** The Parties represent, covenant, and warrant that they
13 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
14 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
15 action, or right herein released and discharged except as set forth herein.

16 **C. Non-Admission.** Nothing in this Settlement Agreement shall be construed as or
17 deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing
18 toward any other Party, or any other person, and the Parties specifically disclaim any liability,
19 culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties
20 has entered into this Settlement Agreement with the intention to avoid further disputes and
21 litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall
22 constitute any admission by Defendant or the Released Parties of wrongdoing or liability, or of the
23 truth of any factual allegations in the Action. Nothing herein shall constitute any admission by
24 Defendant regarding the merits of the Released Class Claims and Released PAGA Claims. Nothing
25 herein shall constitute an admission by Defendant that the Action was properly brought as a class
26 or representative action other than for settlement purposes. To the contrary, Defendant has denied
27 and continues to deny each and every material factual allegation and all Released Class Claims
28 and Released PAGA Claims. To this end, the Class Settlement of the Action, the negotiation and

1 execution of this Settlement Agreement, and all acts performed or documents executed pursuant
2 to or in furtherance of this Settlement Agreement or the Class Settlement are not, shall not be
3 deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on
4 the part of Defendant or the Released Parties or of the truth of any of the factual allegations in the
5 Complaint in the Action; and are not, shall not be deemed to be, and may not be used as, an
6 admission or evidence of any fault or omission on the part of Defendant or the Released Parties in
7 any civil, criminal or administrative proceeding in any court, administrative agency or other
8 tribunal.

9 **D. Confidentiality, Media, or Press Inquiries.** Plaintiff and Class Counsel agree that,
10 until the Motion for Preliminary Approval of Settlement is filed, they will not disclose, disseminate
11 and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of
12 the terms of the Settlement Agreement directly or indirectly, specifically or generally, to any
13 person, corporation, association, government agency, or other entity except: (1) to the Parties'
14 attorneys, accountants, or spouses, all of whom will be instructed to keep this Settlement
15 Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income
16 to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to
17 an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to
18 immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking
19 such information. Plaintiff and Class Counsel separately agree not to, directly or indirectly, initiate
20 any conversation or other communication, before the filing of the Motion for Preliminary
21 Approval, any with third party regarding this Agreement or the matters giving rise to this
22 Agreement except to respond only that "the matter was resolved," or words to that effect. This
23 paragraph does not restrict Class Counsel's communications with Class Members in accordance
24 with Class Counsel's ethical obligations owed to Class Members.

25 **E. Non-Retaliation.** Defendant understands and acknowledges that it has a legal
26 obligation not to retaliate against any Settlement Class Member who elects to participate in the
27 Class Settlement or elects to Opt-Out of the Class Settlement. Defendant will refer any inquiries
28 regarding this Class Settlement to the Settlement Administrator or Class Counsel and will not

discourage Settlement Class Members who are employees, directly or indirectly, from participating in the Settlement or encourage or advise Settlement Class Members to opt out or object to the Class Settlement.

F. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this Settlement Agreement is not to be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in the Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

G. Governing Law. This Settlement Agreement is intended to and shall be governed by the laws of the State of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.

H. Notices. Except for Settlement Class Member notices required to be made by the Settlement Administrator, any and all notices or other communications required or permitted under this Settlement Agreement shall be in writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the party appearing in this Settlement Agreement.

I. Captions and Interpretations. Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision thereof.

J. Modification. This Settlement Agreement may not be changed, altered, or modified, except in writing signed by the Parties and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

K. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the Class Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a party or such party's

1 legal counsel, are hereby superseded. No rights under this Settlement Agreement may be waived
2 except in writing as provided above.

3 **L. Successors and Assigns.** This Settlement Agreement shall be binding upon and
4 inure to the benefit of the Parties and Settlement Class Members (excluding only persons who
5 timely Opt-Out) and their respective current, former and future parents, subsidiaries, dbas,
6 divisions, related entities, joint ventures and affiliated entities, and each of their respective current,
7 former and future owners, officers, directors, shareholders, stockholders, executives, partners,
8 employees, co-employers, joint employers, investors, members, principles, subsidiaries, affiliates,
9 insurers, reinsurers, managers, agents, heirs, spouses, associates, representatives, administrators,
10 fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any
11 nature, predecessors, successors, assigns, attorneys, and all other legal entities affiliated with the
12 foregoing.

13 **M. Corporate Signatories.** Any person executing this Settlement Agreement or any
14 such related document on behalf of a corporate signatory or on behalf of a partnership hereby
15 warrants and promises, for the benefit of all Parties hereto, that such person has been duly
16 authorized by such corporation or partnership to execute this Settlement Agreement or any such
17 related document.

18 **N. Execution in Counterparts.** This Settlement Agreement shall become effective
19 upon its execution by all of the undersigned and may be executed electronically (such as via
20 Docusign). The Parties may execute this Settlement Agreement in counterparts, and execution of
21 counterparts shall have the same force and effect as if all Settling Parties had signed the same
22 instrument.

23 **O. Code of Civ. Proc. Section 664.6.** This Settlement Agreement is enforceable
24 pursuant to California Code of Civil Procedure § 664.6.

25 **P. Action to Enforce Agreement.** In any suit or court action to enforce the terms of
26 this Agreement, the prevailing party shall be entitled to recover his or her or its attorney fees and
27 costs.
28

Q. Attorneys' Fees, Costs and Expenses. Except as otherwise specifically provided for herein, each party shall bear his or her or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

IN WITNESS WHEREOF, the Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of the Settlement Agreement shall be the date of the latest signature.

Dated: 6/7/2023

DocuSigned by:



C8A90CDAB9834D2...

Mayra Torres as an Individual and Proposed Class Representative

Dated: _____

On behalf of Manuel Villa Enterprises, Inc.
By: Manuel Villa
Its: President

APPROVED AS TO FORM AND CONTENT:

Dated: June 8, 2023

CAPSTONE LAW

A Professional Corporation

By: 

RAUL PEREZ

Attorneys for Plaintiff Mayra Torres

Dated: _____

HENDERSON HATFIELD

A Professional Corporation

By: _____

RAQUEL A. HATFIELD

Attorneys for Defendant

Attorneys for Defendants Manuel Villa Enterprises, Inc. and MV3, Inc.

1 **Q. Attorneys' Fees, Costs and Expenses.** Except as otherwise specifically provided
2 for herein, each party shall bear his or her or its own attorney fees, costs, and expenses, taxable or
3 otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement
4 thereof from any other party to this Settlement Agreement.

5 **IN WITNESS WHEREOF,** the Parties and their counsel have executed this Settlement
6 Agreement on the date below their signatures or the signature of their representatives. The date of
7 the Settlement Agreement shall be the date of the latest signature.

8
9 Dated: _____

10
11 Dated: 6/8/2023 _____

Mayra Torres as an Individual and Proposed Class
Representative

Nancy Paredes

2E55FB5CA5C244E

On behalf of Manuel Villa Enterprises, Inc.
By: Manuel Villa
Its: President

15 **APPROVED AS TO FORM AND CONTENT:**

16 Dated: _____

CAPSTONE LAW

A Professional Corporation

By: _____

RAUL PEREZ
Attorneys for Plaintiff Mayra Torres

21
22 Dated: 6/8/2023 _____

HENDERSON HATFIELD

A Professional Corporation

By: _____

RAQUEL A. HATFIELD
Attorneys for Defendant
Attorneys for Defendants Manuel Villa
Enterprises, Inc. and MV3, Inc.

Exhibit A

Mayra v. Manuel Villa Enterprises, Inc., No. CV-21-004762
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF STANISLAUS
NOTICE OF CLASS ACTION SETTLEMENT

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

To: All individuals employed by Defendant Manuel Villa Enterprises, Inc. (“Defendant”) in the State of California in non-exempt positions at any time during the period from April 20, 2017 to February 27, 2023 (“Class Members”).

All individuals employed by Defendant in the State of California in non-exempt positions at any time during the period from September 7, 2020 to February 27, 2023 (“Aggrieved Employees”).

On _____, the Honorable John R. Mayne of the Stanislaus County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _ :00 _m. on _____, 2023 in Department 21 of the Stanislaus County Superior Court located at 801 10th Street, 4th Floor, Modesto, California 95354.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Amount. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against Defendant based on the facts alleged in the Action during the Class Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [DATE]	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Amount and will not be bound by the terms of the proposed class settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. Aggrieved Employees remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 21 of the Stanislaus County Superior Court located at 801 10th Street, 4th Floor, Modesto, California 95354. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Amount and you will be bound by the terms of the Settlement.

Summary of the Litigation

Plaintiff Mayra Torres, on her behalf and on behalf of other current and former non-exempt employees, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees with necessary business expenses; and (5) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On February 27, 2023, the parties participated in a mediation with Daniel Turner, Esq., an experienced and well-respected class action mediator. With Mr. Turner’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

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

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiff.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$480,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Mayra Torres for her services on behalf of the class, and for a release of all claims arising out of her employment with Defendant; (3) \$160,000 in attorneys’ fees and up to \$10,000 in litigation costs and expenses; (4) a \$10,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), inclusive of a \$7,500 payment to the California Labor and Workforce Development Agency (“LWDA”)

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

in connection with the PAGA, and a \$2,500 payment (“PAGA Fund”) to all Aggrieved Employees; and (5) reasonable Settlement Administrator’s fees and expenses currently estimated at \$10,500. After deducting the above payments, a total of approximately \$ _ will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Amount”). Additionally, all Aggrieved Employees will receive a proportional share of the \$2,500 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Amount. Defendant will calculate the total number of pay periods worked by each Class Member from April 20, 2017 to February 27, 2023 (“Class Period”) and the aggregate total number of pay periods worked by all Class Members during the Class Period. To determine each Class Member’s estimated share of the Net Settlement Amount, the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of pay periods, resulting in the “Pay Period Value.” Each Class Member’s share of the Net Settlement Amount will be calculated by multiplying each individual Class Member’s total number of pay periods by the Pay Period Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Amount according to the number of pay periods worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

According to Defendant’s records, you worked during the Class Period in a non-exempt position for a total of ____ pay periods. Accordingly, your estimated payment from the Net Settlement Amount is approximately \$ ____.

Payments from PAGA Fund. Defendant will calculate the total number of pay periods worked by each Aggrieved Employee from September 7, 2020 to February 27, 2023 (“PAGA Period”) and the aggregate total number of pay periods worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved Employee’s estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of pay periods, resulting in the “PAGA Pay Period Value.” Each Aggrieved Employee’s share of the PAGA Fund will be calculated by multiplying each individual Aggrieved Employee’s total number of pay periods by the PAGA Pay Period Value. A Request for Exclusion does not exclude an Aggrieved Employee from the release of claims under California Labor Code §§ 2698, *et seq.* and the Aggrieved Employee will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendant’s records, you worked during the PAGA Period in a non-exempt position for a total of ____ pay periods. Accordingly, your estimated payment from the PAGA Fund is approximately \$ ____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ _____. If you believe the pay period information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____

If you dispute the information stated above, Defendant’s records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this

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settlement, 15% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 85% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims during the Class Period and Released PAGA Claims during the PAGA Period:

Released Class Claims: Any and all causes of action or claims that were asserted in the November 17, 2021 First Amended Complaint (“FAC”) against Defendant for: (1) Unpaid Overtime; (2) Unpaid Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Non-Compliant Wage Statements and Failure to Maintain Payroll Records; (6) Wages Not Timely Paid on Termination; (7) Failure to Timely Pay Wages During Employment; (8) Unreimbursed Business Expenses; (9) Unlawful Business Practices; and (10) Unfair Business Practices. The Released Class Claims do not include any claims for workers compensation, unemployment, or disability benefits or any other claims that cannot legally be waived.

Released PAGA Claims: Any and all claims for PAGA civil penalties that were asserted in the November 17, 2021 First Amended Complaint (“FAC”) against Defendant, including PAGA civil penalties for: (1) Unpaid Overtime; (2) Unpaid Minimum Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Non-Compliant Wage Statements and Failure to Maintain Payroll Records; (6) Wages Not Timely Paid on Termination; (7) Failure to Timely Pay Wages During Employment; (8) Failure to Provide Suitable Seating; (9) Failure to Provide Written Notice of Information Material to Employment; and (10) Unreimbursed Business Expenses.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement; e.g. “I wish to be excluded from the settlement class in *Torres v. Manuel Villa Enterprises, Inc.*” The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2023. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2023, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Amount.
- Not release the Released Class Claims.
- If you are a Aggrieved Employee, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

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

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2023. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

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

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (888) 528-8370

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT'S ATTORNEYS WITH INQUIRIES.