

PAGA SETTLEMENT AGREEMENT AND RELEASE

This PAGA Settlement Agreement and Release (“Agreement”) is made by and between Plaintiff Eric De Alba (“Plaintiff”), for himself and in his capacity as a representative of the State of California, on the one hand, and Defendant Pacific Consolidated Industries LLC (“Defendant”), on the other hand. Plaintiff and Defendant are each a “Party” and collectively referred to herein as the “Parties.”

I. DEFINITIONS

1. “Action” means Plaintiff’s representative PAGA action filed against Defendant, captioned *Eric De Alba v. Pacific Consolidated Industries, LLC* (Case No. CVRI2200092), on January 7, 2022 in the Superior Court of California, County of Riverside.
2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
3. “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
4. “Aggrieved Employee(s)” means all current and former non-exempt employees employed by Defendant in California during the PAGA Period.
5. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for Aggrieved Employees’ current mailing addresses using all reasonably available sources, methods, and means, including, but not limited to: (a) National Change of Address Database (“NCOA”); (b) skip traces; and (c) direct contact by the Administrator with Aggrieved Employees.
6. “Aggrieved Employee Data” means Aggrieved Employees’ identifying information in Defendant’s possession, including their: (a) full names; (b) last-known mailing addresses; (c) Social Security Numbers; and (d) number of PAGA Pay Periods.
7. “Approval Order” means the order to be entered by the Court granting approval of the Settlement and Entering Judgment on this Action.
8. “Attorney Fee Amount” means the amounts allocated to PAGA Counsel for the reimbursement of reasonable attorneys’ fees incurred to prosecute the Action.
9. “Cost Amount” means the amount allocated to PAGA Counsel for the reimbursement of reasonable attorneys’ expenses incurred to prosecute the Action.



10. "Court" means the Superior Court of California, County of Riverside.
11. "Defendant" means Pacific Consolidated Industries LLC, the named defendant in the Action.
12. "Defense Counsel" means Fisher & Phillips LLP, counsel of record for Defendant in the Action.
13. "Effective Date" means the later date of the following: (a) in the event that the Settlement has been approved by the Court, then upon the passage of the applicable date for any interested party to seek appellate review of the Court's Approval Order without a timely appeal being filed; or, (b) in the event that a timely appeal from the Court's Approval Order has been filed, then the Agreement shall be effective when the applicable appellate court has rendered a final decision or opinion affirming the Court's Approval Order without material modification and the applicable date for seeking further appellate review has passed without further appellate review being sought .
14. "Gross Settlement Amount" means the total sum of One Hundred Eighty-Five Thousand Dollars And Zero Cents (\$185,00.00), which is the total amount Defendant agrees to pay, subject to Court approval, pursuant to the terms of this Agreement. The Gross Settlement Amount will be used to pay the: (a) Attorney Fee Amount; (b) Cost Amount; (c) Administration Costs; (d) LWDA PAGA Payment; and (e) Individual PAGA Payments. In no circumstance will Defendant be required to pay greater than the Gross Settlement Amount to resolve this Action, except as provided in Section VIII.1.
15. "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of the twenty-five percent (25%) of the PAGA Penalties Fund that will be calculated using the formula set forth herein.
16. "Judgment" means judgment entered by the Court upon the approval of the Settlement.
17. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
18. "LWDA PAGA Payment" means the seventy-five percent (75%) of the PAGA Penalties Fund that will be paid to the LWDA under Labor Code section 2699, subdivision (i).
19. "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq.*).
20. "PAGA Counsel" means Justice Law Corporation, the attorneys representing the Plaintiff in the Action.



21. "PAGA Penalties Fund" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: (a) Attorney Fee Amount; (b) Cost Amount; and (c) Administration Costs. Twenty-five percent (25%) of the PAGA Penalties Fund shall be allocated as the Individual PAGA Payments, and seventy-five percent (75%) of the PAGA Penalties Fund shall be allocated as the LWDA PAGA Payment in settlement of the claims for PAGA civil penalties asserted in the Action by Plaintiff on behalf of the State of California and Aggrieved Employees.
22. "PAGA Notice" means Plaintiff's December 22, 2021 letter to the LWDA and Defendant of his intent to assert PAGA claims against Defendant pursuant to Labor Code section 2699.3, subdivision (a).
23. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for at least one (1) day during the PAGA Period, based on Defendant's payroll and time records, hire dates, re-hire dates (as applicable), leave of absence dates, and termination dates (as applicable).
24. "PAGA Period" means the period from December 22, 2020 through and including September 15, 2023.
25. "Plaintiff" means Eric De Alba, the named plaintiff in the Action.
26. "Released PAGA Claims" means the claims being released as part of the Settlement of the Action according to the terms set forth in Section V, below.
27. "Released Parties" means Defendant together with their parents, subsidiaries, affiliated entities, consultants, independent contractors, representatives, officers, directors, employees, and agents.
28. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
29. "Notice of Settlement to Aggrieved Employees" means the letter that will be mailed by the Administrator to Aggrieved Employees explaining this Settlement and containing a check for their Individual PAGA Payment once the Approval Order has been signed by the Court. The Notice of Settlement to Aggrieved Employees is attached hereto as **Exhibit A**.

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II. RECITALS

1. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff provided the PAGA Notice to the LWDA and Defendant on December 22, 2021. More than sixty-five (65) days have passed since the PAGA Notice was sent to the LWDA, and the LWDA has not indicated that it intends to investigate the alleged violations referenced in the PAGA Notice.
2. On January 7, 2022, Plaintiff commenced this Action by filing a representative PAGA complaint on behalf of himself and the Aggrieved Employees in the Superior Court of California, County of Riverside ("Operative Complaint"). The Operative Complaint contains one cause of action seeking civil penalties under PAGA for the following alleged Labor Code violations: (a) failure to pay minimum and overtime wages; (b) failure to provide meal and rest breaks and pay meal and rest break premiums; (c) failure to timely pay wages during employment; (d) failure to timely pay wages upon separation of employment; (e) failure to maintain and provide complete and accurate wage statements; and (f) failure to reimburse business expenses. More specifically, the PAGA Notice and Operative Complaint allege Defendant is subject to civil penalties under PAGA for violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.
3. On July 25, 2022, the Parties remotely participated in an all-day, private mediation presided over by Steven Mehta, Esq., that did not result in a settlement. However, continued negotiations eventually resulted in the settlement of this matter.
4. Defendant denies any liability for any of the claims in the Action, as well as any other potential or unknown claims based on wage and hour violations under state or federal law. Defendant specifically disclaims any liability to Plaintiff or any allegedly Aggrieved Employee for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty, or contract.
5. Under PAGA, "an 'aggrieved employee' may bring a civil action personally and on behalf of other current or former employees to recover civil penalties for Labor Code violations." (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.) A plaintiff suing, as here, under PAGA, "does so as the proxy or agent of the state's labor law enforcement agencies," and, as such, "represents the same legal right and interest as state labor law enforcement agencies" (*Id.* at p. 986.) Of any civil penalties recovered, seventy-five percent (75%) goes to the LWDA, and the remaining twenty-five percent (25%) is allocated to the aggrieved employees. (*Id.* at p. 980-981.)
6. A judgment in a PAGA action "binds not only that [plaintiff] employee but also the state labor law enforcement agencies." (*Arias v. Superior Court, supra*, 46 Cal.4th at p. 986.) Further, "[b]ecause an aggrieved employee's action under [PAGA] functions as a substitute for an action brought by the government itself, a judgment in that action binds



all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government.” (*Arias v. Superior Court, supra*, 46 Cal.4th at p. 986.) “Accordingly, with respect to the recovery of civil penalties, nonparty employees as well as the government are bound by the judgment in an action brought under [PAGA]” (*Ibid.*)

III. MONETARY TERMS

1. Gross Settlement Amount. In full and complete settlement of the Action, and in exchange for the releases set forth herein, Defendant shall pay the total sum of One Hundred Eighty-Five Thousand And Zero Cents (\$185,000.00), and no more, as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Section IV below. The Court’s granting of the Approval Order is a precondition to Defendant’s obligation to pay the Gross Settlement Amount. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim forms as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount in the amounts specified by the Court in the Approval Order:
 - a. To PAGA Counsel: Attorney Fee Amount of no more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$61,666.66, and Cost Amount of no more than \$10,000. Defendant will not oppose requests for Court approval of these payments provided they do not exceed these amounts. Released Parties shall have no liability to PAGA Counsel arising from any claim to any portion of the Attorney Fee Amount and/or Cost Amount. The Administrator will pay the Attorney Fee Amount and Cost Amount using applicable IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for any and all taxes owed on the Attorney Fee Amount and Cost Amount and holds Defendant harmless and shall indemnify Defendant from any dispute or controversy regarding any division or sharing of any of the Attorney Fee Amount or Cost Amount. If the Court approves an Attorney Fee Amount and/or Cost Amount less than the amounts requested, the Administrator will allocate the remainder to the PAGA Penalties Fund.
 - b. To Administrator: Administration Costs not to exceed \$3,000 except for a showing of good cause and approved by the Court. If the Administration Costs are less or the Court approves payment less than the sum requested, the Administrator will allocate the remainder in the PAGA Penalties Fund.

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- c. To LWDA and Aggrieved Employees: The amount of the PAGA Penalties Fund is estimated at \$108,333.34, seventy-five percent (75%) of which (estimated at \$81,250.00) will be paid to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which (estimated at \$27,083.335) will be distributed to Aggrieved Employees as Individual PAGA Payments.
 - i. The Administrator will calculate each Individual PAGA Payment by: (1) dividing the total amount of the PAGA Penalties Fund allocated for distribution to Aggrieved Employees as Individual PAGA Payments by the total number of PAGA Pay Periods of all Aggrieved Employees; and (2) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.
 - ii. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments. One hundred percent (100%) of Individual PAGA Payments will be allocated as non-wage penalties. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

IV. SETTLEMENT FUNDING AND PAYMENTS

1. Aggrieved Employees and Pay Periods. Based on their records, Defendant estimate there are 98 Aggrieved Employees who worked for Defendant a total of 4,500 PAGA Pay Periods during the period from December 22, 2020 through and including September 15, 2023.
2. Aggrieved Employee Data. On the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator will maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to the Administrator's employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. In no event shall Defendant or the Administrator share or disclose the Aggrieved Employee Data with Plaintiff or PAGA Counsel unless PAGA Counsel shows such disclosure is necessary to ensure PAGA Counsel's ability to fulfill any obligations associated with this Settlement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in



good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

3. Funding the Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) calendar days after the Effective Date or as otherwise directed by the Court.
4. Payments from the Gross Settlement Amount. Within ten (10) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will issue checks for the Attorney Fee Amount, Cost Amount, Administration Costs, LWDA PAGA Payment, and all Individual PAGA Payments. Disbursement of the Attorney Fee Amount and Cost Amount shall not precede disbursement of Individual PAGA Payments.
 - a. The Administrator will issue checks for Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed within one hundred eighty (180) calendar days after the date of mailing. Before mailing any checks, the Administrator will update the recipients' mailing addresses using the NCOA.
 - b. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator must remail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose remailed checks are returned as undelivered. The Administrator shall send a replacement check to any Aggrieved Employee whose original check was lost or misplaced as requested by the Aggrieved Employee prior to the void date.
 - c. All checks mailed to Aggrieved Employees will be valid for one hundred eighty (180) calendar days after their mailing. Afterwards, the uncashed settlement checks will be cancelled. The funds associated with such cancelled checks, plus any interest, if any, that has accrued thereon, will be distributed to State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employees.

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- d. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (*i.e.*, 401(k) contributions, bonuses) beyond those specified in this Agreement.

V. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and the State of California shall be deemed to have released claims against Defendant and all Released Parties as follows:

1. **Released PAGA Claims.** Plaintiff, individually and in his capacity as a private attorney general proxy or agent of the State, and the State of California, as real party in interest, knowingly and voluntarily release all claims for civil and statutory penalties that could have been sought by the Labor Commissioner for the alleged violations identified in the PAGA Notice and to the extent they are alleged in the Operative Complaint, namely Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. The Released PAGA Claims shall only apply to the alleged violations that arose, accrued, and/or have been asserted during the PAGA Period. By this Agreement, Plaintiff and the State of California do not release any individual, non-PAGA claim(s) for wages or damages.

VI. **MOTION FOR APPROVAL OF SETTLEMENT.** The Parties agree Plaintiff will prepare and file a motion for approval of this Settlement and approving and incorporating by reference the terms and conditions of the Agreement. Plaintiff will also request dismissal of the Action with prejudice as to Plaintiff and the State of California and without prejudice as to any individual, non-representative claims of the Aggrieved Employees following the funding of the Gross Settlement Amount by Defendant and payments from the Gross Settlement Amount by the Administrator.

1. **Plaintiff's Responsibilities.** Plaintiff will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subdivision (f)(2)), including: (a) draft of the proposed Order Granting Approval of Settlement and Entering Judgment; (b) motion for approval of the Settlement and supporting declaration(s); (c) signed declaration from PAGA Counsel attesting to his timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subdivision (a)), Operative Complaint (Labor Code section 2699, subdivision (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2))); and (d) signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement, describing its experience with settlement administration, and explaining how its fees were calculated. In their declarations, Plaintiff and PAGA Counsel shall aver they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.



2. Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the motion for approval of this Settlement, obtaining a prompt hearing date for the motion, and appearing in Court to advocate in favor of the motion. Moreover, PAGA Counsel is responsible for delivering the Approval Order to the Administrator.
3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person, via email, or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person, via email, or by telephone, and in good faith, in an attempt to reach an agreement to modify the Agreement and otherwise satisfy the Court's concerns.

Nullification of Agreement. If the Court does not grant approval of the Settlement based on this Agreement or any agreed-upon modifications thereto, or if the appropriate appellate court fails to approve the Settlement, and/or Plaintiff fails to effectuate the dismissal of the Action as specified: (a) the terms of the Agreement shall be null and void and the Parties shall be restored to their respective positions prior to entering into it, unless the Parties mutually agree to adjust the terms; (b) Defendant shall have no obligation to make any payments under this Agreement; and (c) none of the Parties will be deemed to have waived any claims, defenses, objections, or arguments with respect to the Action.

VII. SETTLEMENT ADMINISTRATION

1. Selection of Administrator. The Parties jointly selected an Administrator and verified, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their counsel represent they have no interest or relationship, financial or otherwise, with the Administrator other than, potentially, a professional relationship arising out of prior experiences administering settlements.
2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for the purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.



3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
4. Transmittal of Notice of Settlement to Aggrieved Employees. The Administrator shall provide notice to Aggrieved Employees by mailing them the Notice of Settlement to Aggrieved Employees approved by the Court. The Notice of Settlement to Aggrieved Employees shall include each Aggrieved Employee’s Individual PAGA Payment check mailed alongside it.
5. Administrator’s Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement. These duties include, among others: (a) preparing, translating, and mailing the Notice of Settlement to Aggrieved Employees; (b) establishing a QSF; (c) calculating and distributing the payments indicated in this Agreement; (d) handling all required state and federal tax withholding and reporting related thereto to the extent necessary; (e) issuing all appropriate tax forms to Plaintiff, PAGA Counsel, Aggrieved Employees, and LWDA resulting from the settlement payments under this Agreement; and (f) providing a declaration of compliance following the administration of this Settlement.

VIII. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

1. Escalator Clause. Based on their records, Defendant estimates there are 98 Aggrieved Employees who worked a total of 4,500 PAGA Pay Periods during the period from December 22, 2020 through and including September 15, 2023. If the aggregate number of PAGA Pay Periods is determined to be ten percent (10%) more than the estimated number of PAGA Pay Periods (*i.e.*, if the total PAGA Pay Periods during the PAGA Period from December 22, 2020 through and including September 15, 2023 exceeds 4,950), Defendant shall have the option to either: (a) pay an additional \$41.11 per PAGA Pay Period after 4,950; or (b) close the PAGA Period when the PAGA Pay Period reaches 4,950.

IX. CONTINUING JURISDICTION OF THE COURT. The Parties agree after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes of: (1) enforcing this Agreement and/or Judgment; (2) addressing settlement administration; and (3) addressing such post-Judgment matters as are permitted by law.

1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties and their counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose

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such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA Penalties Fund.

X. ADDITIONAL PROVISIONS

1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Defendant denies any liability for any of the claims in the Action, as well as any other potential or unknown claims based on wage and hour violations under state or federal law. Neither this Agreement, nor any document referred to or contemplated in this Agreement, nor any action taken to carry out this Agreement, may be construed as, or may be used as, an admission, concession, or indication by or against Defendant of any unlawful conduct, fault, wrongdoing or liability whatsoever. Defendant specifically deny that they have engaged in any unlawful or wrongful conduct towards Plaintiff or the allegedly Aggrieved Employees. In addition, nothing mentioned herein is intended or should be construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, Agreement, and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
2. Acknowledgment that Settlement is Fair, Adequate and Reasonable. Counsel for all Parties have thoroughly investigated the facts relating to the claims alleged in the Action and have made a thorough study of the legal principles applicable to the claims asserted against Defendant. Based on their investigation and evaluation of the case, the Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive, non-collusive arms-length negotiations, considering all relevant factors, present and potential, including the defenses asserted by Defendant, potential adverse findings regarding liability and manageability, and numerous potential appellate issues.
3. Integrated Agreement. Upon execution by Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any of the Parties.

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4. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent they are authorized by Plaintiff and Defendant respectively to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments.
5. Cooperation. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this Settlement and to obtain a final Judgment on the terms provided herein or any modified Agreement as agreed to by the Parties.
6. Good Faith Negotiations. The Parties to this Agreement agree it reflects their good faith compromise of the claims raised based upon their assessment of the mutual risks and costs of further litigation and assessments of their counsel.
7. No Prior Assignments. The Parties represent and warrant they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
8. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties and their representatives and approved by the Court.
10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of California, without regard to conflict of law principles.
12. Cooperation in Drafting. The Parties cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any of the Parties on the basis the Parties were the drafter or participated in the drafting.
13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.



14. Headings. The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
15. Recitals. The Recitals set forth herein are hereby incorporated into and made a part of the Agreement.
16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
17. Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by U.S. mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Douglas Han
Shunt Tatavos-Gharajeh
Lizette Rodriguez
JUSTICE LAW CORPORATION
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com
cnobles@JusticeLawCorp.com

To Defendant: Grace Y. Horoupian
Andrew Wellman
FISHER & PHILLIPS LLC
2050 Main Street, Suite 1000
Irvine, California 92614
ghoroupian@fisherphillips.com
awellman@fisherphillips.com

18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically, or email that shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.



19. Stay of Litigation. The Parties agree, upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties agree, upon the signing of this Agreement and pursuant to Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.
20. Warranty By Plaintiff. Plaintiff represents and warrants he has not filed and will not file any other lawsuit, administrative claim or action, arbitration, demand, or other action of any kind against Defendant or the Released Parties. Plaintiff also represents and warrants the only pending claims against Defendant or the Released Parties are included in the Action.
21. No Publicity. Plaintiff and PAGA Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except as may be strictly required to effectuate the terms of the Settlement. For the avoidance of doubt, this section includes Plaintiff and PAGA Counsel's agreement not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. Nothing herein will prevent Defendant from making required disclosures.
22. Severability. If any of the above provisions are found null, void, or inoperative, in whole or in part, for any reason, the remaining provisions will remain in full force and effect. Notwithstanding, the invalidation in whole or in part of any material term of this Agreement, including but not limited to all the terms and provisions specified in the Released PAGA Claims in Section V, will invalidate this Agreement in its entirety unless the Parties subsequently agree in writing that the remaining provisions will remain in force and effect.

(Signature page follows)



XI. EXECUTION BY PARTIES AND COUNSEL

Dated: 11/07/2023

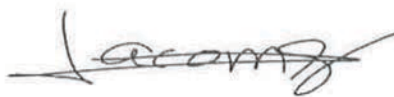
Plaintiff Eric De Alba



Eric De Alba

Dated: 11/2/2023

Defendant Pacific Consolidated Industries LLC



By: Francois Lacombe CEO
Authorized Representative for Pacific Consolidated
Industries LLC

Dated: 11/7/23

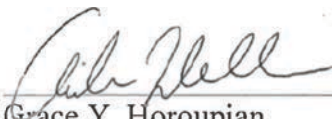
Justice Law Corporation



Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Lizette Redriguez, Esq.
Attorneys for Plaintiff

Dated: 11/8/23

FISHER & PHILLIPS LLC



Grace Y. Horoupian
Andrew Wellman
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Eric De Alba v. Pacific Consolidated Industries, LLC
Superior Court of California, County of Riverside
Case No. CVRI2200092

Dear [Aggrieved Employee's Name]:

Enclosed with this letter is a settlement check being paid to you pursuant to the settlement of the lawsuit filed in the Superior Court of California, County of Riverside, entitled *Eric De Alba v. Pacific Consolidated Industries, LLC*, Case Number CVRI2200092 ("Action"). The purpose of this letter is to provide you with basic information about the Action, the reasons why you are receiving the enclosed settlement check, and the effect of the settlement on your legal rights.

I. The Action

On January 07, 2022, Plaintiff Eric De Alba ("Plaintiff"), a former employee of Defendant Pacific Consolidated Industries, LLC ("Defendant") commenced this Action by filing a complaint pursuant to the California Private Attorneys General Act of 2004, Labor Code § 2698 ("PAGA") in the Superior Court of California, County of Riverside ("Operative Complaint") on behalf of the State of California and all current and former non-exempt or hourly-paid employees who worked for Defendant in California from December 22, 2020 through September 15, 2023, otherwise referred to as "Aggrieved Employees."

In the Action, Plaintiff claimed that Defendant owed civil penalties under PAGA to Plaintiff and the Aggrieved Employees for alleged violations of the California Labor Code. **Defendant denies it violated the California Labor Code, denies the allegations in the Operative Complaint, and denies all liability under PAGA to Plaintiff, the Aggrieved Employees, and the State of California.**

The merits of the Action have not been determined. However, on [Approval Date], the Superior Court of California, County of Riverside, approved a settlement of the Action that Defendant entered to avoid the costs and disruption of litigation.

II. Why the Settlement Check Is Being Sent to You

The settlement approved by the Superior Court of California, County of Riverside, on [Approval Date] involves a payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the Labor Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Aggrieved Employees. The enclosed settlement check is being sent to you because you have been identified as an Aggrieved Employee.

III. How the Amount of Your Settlement Check Was Determined

The enclosed settlement check was calculated based on the total number of pay periods you worked for Defendant from December 22, 2020 through September 15, 2023 ("PAGA Period") relative to all other Aggrieved Employees.

Your settlement check will remain negotiable for one hundred eighty (180) calendar days after its mailing.

IV. Consequences of the Settlement

The Action was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Court's order and judgment approving the settlement of the Action binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by California itself. As a result, although you are not a "party" to the Action, the judgment entered upon settlement of the Action is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate the enclosed settlement check.

V. Taxation of Your Individual Settlement Award

You will be issued an IRS Form 1099 in connection with the funds paid to you via the enclosed check. However, you are solely responsible for all tax obligations attributable to you that may arise as a result of receiving the settlement check. If you have any tax-related questions regarding your receipt of the enclosed check, you should direct them your own tax advisor.

VI. Where to Get More Information

Do not call or contact the Superior Court of California, County of Riverside, about this letter, the settlement, the settlement check sent to you, or the Action in general. If you have questions about this letter, the settlement, the settlement check sent to you, or the Action in general, you may contact the Settlement Administrator, [REDACTED], at [INSERT CONTACT INFORMATION].

Dated: [INSERT DATE]

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On May 2, 2024, I served the foregoing document described as

PROOF OF SERVICE