

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("PAGA Agreement") is made by and between plaintiff David Clark ("Clark" or "Plaintiff") and Cuatro Amigos, Inc. dba AJ Bono Plumbing ("Cuatro Amigos" or "Defendant"). The PAGA Agreement refers to the Plaintiff and Defendant collectively as "Parties." The Parties agree that this PAGA Agreement will be submitted to the Labor and Workforce Development Agency at the same time that it is submitted to the Court.

1 DEFINITIONS.

- 1.1 "Action" means the Plaintiff's lawsuit alleging individual wage and hour violations against Defendant captioned *David Clark v. Cuatro Amigos, Inc., et al*, Contra Costa County Superior Court, C22-00727, filed on March 21, 2022, for which a First Amended Complaint was filed on April 25, 2022, to add a PAGA cause of action.
- 1.2 "Aggrieved Employee" means all technicians employed by Defendant in California who worked for Defendant during the PAGA Period.
- 1.3 "Approval Order" means the proposed Court Order Granting Approval of PAGA Agreement.
- 1.4 "Court" means the Superior Court of California, County of Contra Costa.
- 1.5 "Defense Counsel" means:

Michael D. Maloney (State Bar No. 208297)
mmaloney@tedgreenelaw.com
GREENE & MALONEY, P.C.
1912 F Street, Suite 110
Sacramento, California 95811
Tel: (916) 442-6400
- 1.6 "Effective Date" means the date by when the Court enters an Order Approving the PAGA Settlement.
- 1.7 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods for each Aggrieved Employee during the PAGA Period.
- 1.8 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.9 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.10 "PAGA Counsel" means the attorneys representing the Plaintiff in the Action:

MAYALL HURLEY P.C.
WILLIAM J. GORHAM (SBN: 151773)
wgorham@mayallaw.com
VLADIMIR J. KOZINA (SBN: 284645)
vjkozina@mayallaw.com
112 S. Church Street
Lodi, California 95240
Telephone: (209) 477-3833
Facsimile: (209) 473-4818

- 1.11 "PAGA Period" means the period from February 18, 2021, to the date this PAGA Agreement is fully executed.
- 1.12 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.13 "PAGA Counsel Attorney's Fees" means one-third of the total PAGA settlement, or \$6,666.67.
- 1.14 "PAGA Notice" means Plaintiff Clark's February 10, 2022, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.15 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the PAGA Settlement Amount, after deduction of reasonable costs, allocated 25% to the Aggrieved Employees and 75% to the LWDA.
- 1.16 "PAGA Settlement Amount" means \$20,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The PAGA Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Attorney's Fees, and PAGA Counsel's reasonable declared costs of up to \$3,000.00.
- 1.17 "Plaintiff" means David Clark, the Plaintiff in the Action.
- 1.18 "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.
- 1.19 "Released Parties" means: Defendant Cuatro Amigos, Inc. dba AJ Bono Plumbing and its respective past and present parents, subsidiaries, affiliates, associates, owners, divisions, related companies, related entities, subsidiaries, business concerns, agents, and attorneys, and each of them, and their respective past and present successors and predecessors in interest, and all of their respective past and present and future officers, directors, employees, shareholders, stockholders, owners, partners, members, managers, administrators, fiduciaries, trustees, beneficiaries, agents, attorneys, principals, heirs, assigns, servants, representatives, accountants, auditors, consultants, insurers, reinsurers, and current and former employees.

- 1.20 "Settlement" means the disposition of the Action effected by this PAGA Agreement and the Judgment.

2 RECITALS.

- 2.1 On February 10, 2022, Clark filed a notice with the California Labor and Workforce Development Agency ("LWDA"), and served a copy on Defendant, alleging misclassification, failure to furnish/furnish accurate wage statements, failure to furnish meal and rest breaks, failure to pay sick pay, failure to pay wages due at cessation of employment, and failure to reimburse business expenses, all in violation of Labor Code sections 201, 202, 226(a)(1)-(9), 226.7, 246(b)(1), 512, 2802, and applicable IWC Wage Orders..
- 2.2 On March 21, 2022, Clark filed a Complaint in Contra Costa County Superior Court, case No. C22-00727 (the "Action") alleging individual claims for: 1) minimum wage violations; 2) overtime pay violations; 3) failure to pay wages due at cessation of employment; 4) failure to furnish wage statements; 5) failure to reimburse business expenses; 6) failure to furnish meal and rest breaks; 7) unpaid wages; and 8) failure to provide payroll and personnel records. Pursuant to Labor Code section 2699.3, Plaintiff gave timely written notice to YD Window and the LWDA by sending the PAGA Notice.
- 2.3 On April 25, 2022, Plaintiff filed a First Amended Complaint, adding a Ninth Cause of Action under the PAGA. Plaintiff's First Amended Complaint is the operative complaint in the Action.
- 2.4 After substantial formal discovery, including depositions of Plaintiff and Defendant's owners, exchange of all documents relating to policies and pay for Plaintiff and alleged Aggrieved Employees during the PAGA Period, and substantial contentious litigation, the Parties have reached a proposed settlement. The settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation, including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff's PAGA claims in a manageable trial, the merits of Defendant's potential defenses, and the significant delay and potential appellate issues inherent to litigation.
- 2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of another pending matter or action asserting claims that would be extinguished or affected by the Settlement.

3 MONETARY TERMS.

- 3.1 PAGA Settlement Amount. Except as otherwise provided by Paragraph 9 below, Cuatro Amigos promises to pay \$20,000.00 as the PAGA Settlement Amount. Cuatro Amigos has no obligation to pay the PAGA Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. Cuatro Amigos will disburse the entire PAGA Settlement Amount without asking or requiring

Aggrieved Employees to submit any claim as a condition of payment. None of the PAGA Settlement Amount will revert to Cuatro Amigos.

- 3.2 Payments from the Gross Settlement Amount. Cuatro Amigos will make and deduct the following payments from the PAGA Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.2.1 To PAGA Counsel: \$6,666.67 to be paid to "Mayall Hurley, P.C." for reasonable attorneys' fees, as well as up to \$3,000.00 in costs incurred in prosecuting the PAGA claims in the Action.

3.2.2 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,333.33 to be paid from the PAGA Settlement Amount of \$20,000.00, with 75% (\$7,750.00) allocated to the LWDA PAGA Payment and 25% (\$2,583.33), allocated to the Individual PAGA Payments.

3.2.2.1 Cuatro Amigos will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of pay periods worked during the PAGA Period by all Aggrieved Employees and (b) multiplying the result by each individual Aggrieved Employee's pay periods worked during the PAGA Period. The Parties agree that the Individual PAGA Payment distributed to Aggrieved Employees will be considered civil penalties and interest, and will be, if required, reported as such to Aggrieved Employees on IRS Forms 1099. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4 SETTLEMENT FUNDING AND PAYMENTS.

- 4.1 Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimated there are 6 Aggrieved Employees who worked approximately 222 pay periods in the PAGA period.
- 4.2 Funding of PAGA Settlement Amount. Cuatro Amigos shall fully pay the PAGA Settlement Amount no later than six months after the Court approves this PAGA Agreement.
- 4.3 Payments from the PAGA Settlement Amount. Within the deadline set forth in Paragraph 4.2, Cuatro Amigos will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, and for attorney fees and costs.
- 4.3.1 Cuatro Amigos will issue checks for the 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 days after the date of mailing) when the check will be voided. Cuatro Amigos will include with each Individual PAGA Payment check a Notice of PAGA Settlement and Release of Claims, a copy of which will first be submitted to the Court for approval along with the Parties' Stipulation or, if required by the Court Motion for Settlement Approval as further discussed in Paragraph 6, informing the recipient of the scope of the released claims, and as to the recipient's responsibility, for any taxes payable on the amount received. The Notice of PAGA Settlement and Release of Claims shall be substantially in the form attached as Exhibit A to this Settlement Agreement.

4.3.2 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, Cuatro Amigos shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.3.3 The payment of Individual PAGA Payments shall not obligate Cuatro Amigos to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5 RELEASES OF CLAIMS. Effective on the date when Cuatro Amigos fully funds the entire PAGA Settlement Amount, Plaintiff, on his own behalf and on behalf of the LWDA and all Aggrieved Employees, will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff releases and discharges Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to, all claims that were, or reasonably could have been, alleged, based on the facts contained in the First Amended Complaint and the PAGA Notice ("Plaintiff's Release"), including, but not limited to, the following:

(a) Any claims for unpaid wages (including minimum, regular, and overtime wages), untimely wage payments both during and at the end of employment, non-compliant meal periods, non-compliant rest periods, non-compliant wage statements, non-compliant recordkeeping, unpaid commissions and bonuses, unpaid vacation, failure to pay sick leave, failure to pay meal or rest period premiums, failure to pay the regular rate of pay, failure to for accrued vacation time, unlawful deduction of wage, and claims for interest, penalties (including but not limited to waiting time penalties), or premiums in connection therewith, as well as any claims under the Fair Labor Standards Act, the California Labor Code, California Industrial Welfare Commission Wage Orders, Prevailing Wage

Determinations made by the Director of Industrial Relations, and corresponding California Code of Regulations;

(b) Any claims for injunctive relief, declaratory relief, restitution, fraudulent business practices or punitive damages.

(c) Any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, the Fair Labor Standards Act, California Industrial Welfare Commission Wage Orders, Prevailing Wage Determinations made by the Director of Industrial Relations, corresponding California Code of Regulations, and the California Business and Professions Code

Plaintiff's Release does not extend to any claims or actions to enforce this PAGA Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remains effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT 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.

5.2 Release by Aggrieved Employees:

Plaintiff, individually and as the representative acting as a proxy or agent of the LWDA in this Action, agrees to release, and all Aggrieved Employees are deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the First Amended Complaint, and the PAGA Notice.

6 **STIPULATION, MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and for Plaintiff to file a stipulation, or if the Court so requires, a Motion (*ex parte* or noticed) for approval of this PAGA Agreement.

6.1 **Plaintiff's Responsibilities.** Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) no earlier than seven (7) calendar days prior to the date Plaintiff intends to file said documents.

6.2 **Duty to Cooperate.** If the Parties disagree on any aspect of the proposed application or 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 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 PAGA Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the PAGA Agreement and otherwise satisfy the Court's concerns.

7 **SETTLEMENT ADMINISTRATION.**

7.1 **Defendant to Administer Settlement.** Given the very small number of Aggrieved Employees (6), the Parties agree that retention and payment of a third-party settlement administrator would not be economical. Defendant agrees to administer the PAGA settlement according to its terms herein.

7.2 **Administrator Duties.** Defendant has a duty to perform or observe all tasks to be performed or observed by Defendant contained in this Agreement or otherwise.

8 **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that pursuant to California Code of Civil Procedure § 664.6, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this PAGA Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

8.1 **Waiver of Right to Appeal.** Provided the Approval Order is consistent with the terms and conditions of this PAGA Agreement or any executed addendum thereto, the Parties, their respective counsel waive all rights to appeal from the Approval Order, including all rights to post-judgment and appellate proceedings, the 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 such motions, writs or appeals. If another party appeals the Approval Order, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Approval Order becomes

final, except as to matters that do not affect the amount of the PAGA Settlement Amount.

9 ADDITIONAL PROVISIONS.

- 9.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that 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. This PAGA Agreement will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this PAGA Agreement).
- 9.2 Integrated Agreement. Upon execution by all Parties and their counsel, this PAGA Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the PAGA Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 9.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that 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 PAGA Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this PAGA Agreement including any amendments to this Agreement.
- 9.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the PAGA Settlement by, among other things, modifying the PAGA Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. Aside from the PAGA Settlement Amount, In the event the Parties are unable to agree upon the form or content of any document necessary to implement the PAGA Settlement, or on any modification of the PAGA Agreement that may become necessary to implement the PAGA Settlement, the Parties will continue to meet and confer to see if an agreement can be reached.
- 9.5 No Prior Assignments. The Parties separately represent and warrant that 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.

- 9.6 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.
- 9.7 Modification of Agreement. This PAGA Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 9.8 Agreement Binding on Successors. This PAGA Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.9 Applicable Law. All terms and conditions of this PAGA Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 9.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this PAGA Agreement. This PAGA Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 9.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this PAGA Agreement relating to the confidentiality of information shall survive the execution of this PAGA Agreement.
- 9.12 Headings. The descriptive heading of any section or paragraph of this PAGA Agreement is inserted for convenience of reference only and does not constitute a part of this PAGA Agreement.
- 9.13 Calendar Days. Unless otherwise noted, all reference to “days” in this PAGA 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.
- 9.14 Notice. All notices, demands or other communications between the Parties in connection with this PAGA Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

MAYALL HURLEY P.C.
William J. Gorham, III (SBN: 151773)
wgorham@mayallaw.com
Vladimir J. Kozina (SBN: 284645)
vjkozina@mayallaw.com

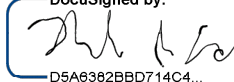
112 S. Church Street
Lodi, California 95240
Telephone: (209) 477-3833
Facsimile: (209) 473-4818

To Defendant:

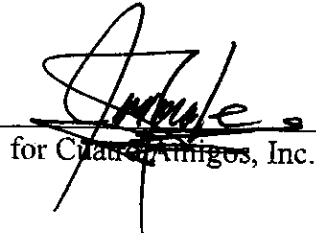
Michael D. Maloney (State Bar No. 208297)
mmaloney@tedgreenelaw.com
GREENE & MALONEY, P.C.
1912 F Street, Suite 110
Sacramento, California 95811
Tel: (916) 442-6400

- 9.15 Execution in Counterparts. This PAGA Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this PAGA Agreement 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 PAGA Agreement.
- 9.16 Stay of Litigation. The Parties agree that upon the execution of this PAGA Agreement the litigation shall be stayed, except to effectuate the terms of this PAGA Agreement. The Parties further agree that upon the signing of this PAGA Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

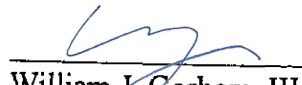
David Clark

DocuSigned by:

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MAYALL HURLEY P.C.


for Greene & Maloney, Inc.

GREENE & MALONEY, P.C.


William J. Gorham, III
Vladimir J. Kozina
Counsel for Plaintiff

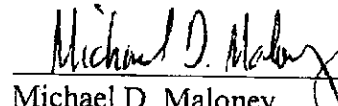

Michael D. Maloney
Counsel for Defendant

EXHIBIT A

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Dear Current or Former Employee of Cuatro Amigos, Inc. dba AJ Bono Plumbing.

You have received this notice because Cuatro Amigos, Inc. dba AJ Bono Plumbing's ("Cuatro Amigos") records indicate that you have worked for Cuatro Amigos at some time between February 18, 2021, to [DATE OF EXECUTION OF PAGA AGREEMENT] ("the PAGA Period"). The parties to the lawsuit titled *David Clark v. Cuatro Amigos, Inc., et al.* Contra Costa County Superior Court, Case No. C22-00727 (the "Action"), have reached a settlement of claims asserted in the Action under the Labor Code Private Attorneys General Act of 2004.

Cuatro Amigos strongly disputes Plaintiff's allegations in the Action and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Action. However, to avoid the time and expense associated with further litigation, Plaintiff and Cuatro Amigos, on its behalf and on behalf of all Released Parties, agreed to settle the case, which settlement has been approved by the Court.

Pursuant to the release approved by the Court, Plaintiff, as a proxy for the State of California and on behalf of all Aggrieved Employees, released the Released Parties from any and all claims, rights, demands, liabilities, and causes of action for civil penalties under PAGA arising between February 18, 2021, through [DATE OF EXECUTION OF PAGA AGREEMENT] ("PAGA Period"), that were asserted in the Action or that could have been asserted based on the facts alleged in the Action, and Plaintiff's PAGA Notice, specifically claims for civil penalties for alleged violations of Labor Code sections 201, 202, 226(a), 226.7, 226.8, 246(b)(1), 512, 2802, and the applicable IWC Wage Order(s). This settlement only affects claims for civil penalties pursuant to PAGA, and not any individual, non-PAGA claims you may have.

The Released Parties are Cuatro Amigos, Inc. and its respective past and present parents, subsidiaries, affiliates, associates, owners, divisions, related companies, business concerns, agents, and attorneys, and each of them, and their respective past and present successors and predecessors in interest, and all of their respective past and present and future officers, directors, employees, shareholders, owners, members, administrators, fiduciaries, trustees, beneficiaries, agents, attorneys, principals, heirs, assigns, representatives, accountants, auditors, consultants, insurers, and reinsurers.

According to Cuatro Amigos' records, you are an Aggrieved Employee and are therefore entitled to a share of the settlement. Enclosed is a check representing your share of the settlement. The check shall remain valid for one hundred and eighty (180) days. Checks that are not cashed within 180 calendar days of issuance will be voided and the funds will be distributed to the California State Controller's Unclaimed Property Fund in the name of the employee who did not cash the check. You will not be retaliated against for cashing your check. One hundred percent (100%) of your share of the settlement shall be deemed penalties and reported as miscellaneous

income for which an IRS Form 1099 will be issued, if required by law. You shall be solely and legally responsible for paying any and all applicable taxes on your share of the settlement.

The Net Settlement Amount of the PAGA penalties, after approved attorney fees and costs, is \$XXXXXXX. Under the PAGA statutes, penalties are divided between the State of California and PAGA employees, with the State receiving 75% of the penalties. The Labor and Workforce Development Agency of California shall receive \$XXXXXX and the Aggrieved Employees shall receive total of \$XXXXXX distributed on a pro-rata basis based on the respective number of pay periods during which an Aggrieved Employee worked for Cuatro Amigos during the PAGA Period.

Regardless of what you do with the settlement check, you will be bound by the release described above.

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT OR CLERK REGARDING THE CASE.