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12 Attorneys for Plaintiff ANIVAL SALAZAR,
13 individually and on behalf of all others similarly situated

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF LOS ANGELES**

16 ANIVAL SALAZAR, individually and on
17 behalf of all others similarly situated,

18 Plaintiff,

19 v.

20 AMERICAN INTEGRATED SERVICES,
21 INC., a California Corporation; and DOES 1-
22 50, inclusive,

23 Defendant.

Case No. 22STCV05538

Assigned for all Purposes to:
Hon. Maren Nelson
Dept. 17

**DECLARATION OF JAMES HAWKINS IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT; MEMORANDUM
OF POINTS AND AUTHORITIES**

Date: February 6, 2024
Time: 9:00 a.m.
Dept.: 17

DECLARATION OF JAMES HAWKINS

I, James Hawkins, declare as follows:

1. I am an individual over the age of 18. I am a partner at the law firm of James Hawkins, APLC. I am one of the attorneys of record for Plaintiff ANIVAL SALAZAR (hereinafter referred to as “Plaintiff” or “Class Representative”), who commenced this class and PAGA action on behalf of the Class Members and Aggrieved Employees. I submit this declaration in support of Plaintiff’s Motion for Preliminary Approval of the Stipulation of Class Action and PAGA Settlement, (“Settlement Agreement”), which Plaintiff filed concurrently herewith, along with the supporting Memorandum of Points and Authorities. I have personal knowledge of the facts set forth below, and if called to testify regarding them, I could and would do so competently.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the executed Settlement Agreement which the Parties ask the Court to approve. Attached as **Exhibit A** to the Settlement Agreement is a true and correct copy of the Notice Class Action Settlement (“Class Notice”).

3. On February 14, 2022 Plaintiff files a putative class action complaint entitled *Anival Salazar v. American Integrated Services, Inc.*, Los Angeles County Superior Court No. 22STCV05538 seeking damages for Defendant’s alleged failure to pay minimum wages, failure to pay overtime compensation, failure to authorize and provide meal periods or premium pay in lieu thereof, failure to authorize and permit rest breaks of premium pay in lieu thereof, failure to indemnify necessary business expenses, failure to timely pay final wages at termination, and unfair business practices. On February 15, 2022, Plaintiff filed a First Amended Class Action Complaint against Defendant, adding a cause of action for failure to provide accurate itemized wage statements.

4. On February 15, 2022, Plaintiff provided written notice by certified mail to the Labor and Workforce Development Agency (“LWDA”) and Defendant of the specific provisions of the California Labor Code that Plaintiff alleged AIS had violated with respect to non-exempt and/or hourly paid employees in California. On April 22, 2022, Plaintiff on behalf of the general

1 public as private attorney general filed a PAGA representative action entitled *Anival Salazar v.*
2 *American Integrated Services, Inc.*, Los Angeles County Superior Court No. 22STCV13570
3 seeking damages for Defendant's alleged failure to pay for all hours worked, including overtime;
4 failure to authorize and provide meal periods or premium pay in lieu thereof; failure to authorize
5 and permit rest periods or premium pay in lieu thereof; failure to reimburse and indemnify
6 expenses; failure to timely pay all wages at termination; and failure to furnish accurate itemized
7 wage statements.

8 5. On May 9, 2023, the Parties engaged in private mediation with a well-respected
9 wage and hour class action mediator, Michael Dickstein. Defendant provided discovery sufficient
10 to enable the Plaintiff and Class Counsel to rigorously evaluate the strengths and risks of the case
11 and perform an analysis of the potential damages arising from the claims made in this case. As a
12 result of settlement efforts, the Parties agreed to the mediator proposal for the Gross Settlement
13 Amount of \$965,000.00 for approximately 511 class members and the terms of which are fully
14 memorialized in the Settlement Agreement.¹

15 6. As a result of the investigations, and subsequent settlement discussions and the
16 resultant settlement and scope of claims, on January 12, 2023, Plaintiff filed a Second Amended
17 Class Action Complaint against Defendant, adding a cause of action for civil penalties under the
18 PAGA, combining the class and PAGA actions. On January 13, 2023, Plaintiff filed a request for
19 dismissal without prejudice of the PAGA Action, which was granted.

20 7. The "Class Members" are defined as all individuals who were employed by
21 Defendant in California as non-exempt employees at any time(s) during the applicable Class
22 Period February 6, 2019 through September 22, 2023, inclusive. Defendant represents there are
23 approximately 490 class members as of the date of mediation, May 9, 2023. Defendant represents
24 that, for the period of February 6, 2019 through September 22, 2023, there were approximately
25 55,565 Workweeks. It is estimated there are approximately 511 Class Members who worked
26
27

28 ¹ At the time of mediation there was an estimated count of 490 class members. The
estimated class member count is 511 through the end of the Class Period.

1 during the Class Period. Plaintiff has included an escalator clause into the settlement agreement at
2 paragraph 39 to protect the integrity of the settlement.

3 8. Plaintiff's Counsel conducted a thorough investigation into the factual and legal
4 issues implicated by Plaintiff's claims and was able to objectively assess the settlement's
5 reasonableness. For example, prior to filing the action, Plaintiff contacted Plaintiff's Counsel to
6 discuss the factual bases for pursuing their actions against Defendant for Labor Code violations.
7 Plaintiff was intimately familiar with Defendant's labor policies and practices, and over the course
8 of multiple interviews, knowledgeably summarized those policies and practices to Plaintiff's
9 Counsel. During those conversations, Plaintiff's Counsel explained how the policies and practices
10 were instituted and provided valuable insight into how they gave rise to the alleged Labor Code
11 violations. Further, formal business records for Mr. Salazar were requested and received and
12 reviewed. Based on these interviews with Plaintiff, and review of records, Plaintiff's Counsel
13 determined that there were legally sufficient grounds for pursuing the Actions against Defendant
14 and in preparation for drafting the complaints, Plaintiff's Counsel conducted their own independent
15 preliminary investigations into the factual bases for Plaintiff's claims, which entailed, *inter alia*, a
16 careful examination of Plaintiff's personnel files and associated records.

17 9. In summary, Plaintiff's Counsel performed a thorough investigation into the claims at
18 issue, which included: (1) determining Plaintiff's suitability as private attorneys general and
19 subsequent class representative through interviews, background investigations, and analyses of their
20 employment files and related records; (2) evaluating all of Plaintiff's potential representative claims;
21 (3) researching similar wage and hour class actions as to the claims brought, the nature of the
22 positions, and the type of employer; (4) analyzing employees' time and wage records and driver
23 manifest; (5) reviewing Defendant's employment policies and practices; (6) researching settlements
24 in similar cases and the prior settlement in this case; (7) evaluating Plaintiff's claims and estimating
25 Defendant's liability for purposes of settlement; (8) drafting the mediation brief; and (9)
26 participating in the mediation.

27 10. By engaging in such a thorough investigation and evaluation of Plaintiff's claims,
28 Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth in

1 the Settlement Agreement, is fair, reasonable, an adequate, and is in the best interests of Class
2 Members in light of all known facts and circumstances, including the risk of significant delay and
3 uncertainty associated with litigation, and various defenses asserted by Defendant.

4 11. Defendant denies any wrongdoing and deny liability with respect to the matters
5 alleged in the Complaint and believe that they have valid defenses to all of Plaintiff's claims. To
6 date, no class has been certified and no court has made any findings that Defendant engaged in
7 any wrongdoing or in any wrongful conduct, or otherwise acted improperly or in violation of any
8 law, rule or regulation with respect to any of the issues presented in this action.

9 12. Since the filing of the complaint, the Parties have exchanged extensive
10 informal discovery and engaged in numerous discussions regarding the factual and legal issues
11 surrounding this case. Throughout the litigation, Defendant produced thousands of pages of
12 information and thousands of lines of data, including policies, handbooks, relevant policies,
13 training records, meal and rest period policies, employee handbooks, and payroll and time records
14 for all employees for varying time periods during the class period. Defendant also provided
15 Plaintiff's personnel file, and information regarding the number of employees holding these
16 positions during the relevant time period. Defendant also provided substantial information
17 concerning the total number of potential class members, the payroll data at issue, and the
18 applicable hourly rates, workweeks and pay periods, and other summary data related to the alleged
19 class. Defendant also produced declarations from putative class members challenging the alleged
20 claims. The Parties have conducted themselves in informed, good faith arms-length negotiations
21 after conducting discovery and exchanging extensive evidence and information about the claims
22 and defenses of this lawsuit through informal discovery, and engaging in pre-mediation
23 discussions, telephone conferences, and correspondence all aimed at settling their dispute.

24 13. In preparation for the mediation, Plaintiff reviewed the entire discovery and
25 information produced. The information had to be extrapolated and processed to figure out the
26 amount of compensation Plaintiff contends are due to the Classes. The evidence and information
27 gathered and reviewed by counsel provided a factual framework for a comprehensible and reliable
28 damage model pertaining to all Settlement Class Members. The mediation included discussions

1 and examination of the proposed Classes and the Parties' respective positions on the legal and
2 factual issues raised in the Complaint.

3 14. As a result of the mediation, the Parties agreed to settle this matter for a Gross
4 Settlement Amount ("GSA") of \$965,000.00. Plaintiff's counsel balanced the terms of the
5 proposed Settlement against the risk of litigation and probable outcome at the class certification
6 stage, and if any Class were certified, at trial. Based on their own respective independent
7 investigations and evaluations, and after taking into account the sharply disputed factual and legal
8 issues involved in this matter, the risks attending further prosecution of the case, and the monetary
9 benefits received under the Settlement despite the questionable nature of the claims, Plaintiff's
10 counsel is of the opinion that Settlement for the consideration and on the terms set forth in the
11 Settlement Agreement is fair, reasonable and adequate and is in the best interests of Plaintiff and
12 the Class. Counsel for the Parties investigated the applicable law as applied to the facts
13 discovered regarding the claims of Plaintiff, Defendant's defenses thereto and the damages
14 claimed by Plaintiffs on behalf of the Settlement Class.

15 15. I believe that the consideration and terms set forth in the Settlement Agreement are
16 fair, reasonable, and adequate and are in the best interests of the Settlement Classes in light of all
17 known facts and circumstances, including the various defenses asserted by Defendant, and
18 numerous potential appellate issues. In addition, the prospect of a potential adverse summary
19 judgment ruling, as well as the uncertainty of class certification, the difficulties of complex
20 litigation, the lengthy process of establishing specific damages and various possible delays and
21 appeals, were also carefully considered in agreeing to the proposed Settlement.

22 16. The GSA includes, without limitation, (1) attorneys' fees in the amount of
23 \$321,666.67 ("Attorneys' Fees and Attorneys' Costs ") and reimbursement of reasonable litigation
24 costs and expenses in the amount of up to \$25,000.00² to Class Counsel; (2) enhancement
25 payment to Plaintiff in the amount of up to \$10,000.00 ("Enhancement Payment"); (3) fees and
26 expenses of administration of the Settlement to the Settlement Administrator in an amount not to
27

28 ² Class Counsel's costs to date are approximately \$19,878.88 so the Net Settlement
Amount will likely be increased by approximately \$5,000.00.

1 exceed \$12,000.00³ (“Settlement Administration Costs”); (4) \$100,000.00 to PAGA with twenty-
2 five percent (25%) share of the PAGA Penalties to be a part of the Net Settlement Sum that will be
3 distributed to Class Members in the PAGA Group in the amount of \$25,000.00; and (5) the
4 seventy-five percent (75%) share of PAGA Penalties (“LWDA Payment”) in the amount of
5 \$75,000.00 to the California Labor and Workforce Development Agency (“LWDA”). **The Entire**
6 **Total Settlement Amount will be paid to all Class Members who do not opt out of the**
7 **Settlement Class, and without the need to submit claims for payment.** After deductions, the
8 Net Settlement Amount (“NSA”) is estimated to be approximately **\$496,333.33**. The Class
9 Members are to be paid based on the NSA on a pro rata basis based upon the weeks each class
10 member worked in comparison to the total work weeks worked by all Class Members.
11 Additionally, approximately 376 Class Members who are alleged Aggrieved Employees will
12 receive their Individual PAGA Share which is expected to be approximately \$66 per aggrieved
13 employee.

14 17. Fairness of the Settlement is demonstrated by the uncertainty and risks to Plaintiff
15 involved both in not prevailing on one or more of the causes of action or theories alleged in the
16 operative Complaints and in non-certification, and if successful, Defendant disputes the ability of
17 Plaintiff to certify a class in this case. Defendant also argued it maintained lawful written policies
18 that were provided to the class members and enforced those policies. Yet, despite the defenses
19 proffered by Defendant, the proposed Settlement commits Defendant to pay each Class Member a
20 portion of the NSA. The amount to be paid to the Classes is fair, adequate and reasonable given
21 the significant risk to Plaintiff and the Class in continuing with the litigation and not prevailing on
22 their claims at class certification or at trial or not being paid anything even if trial was successful.

23 18. The Parties investigated relevant law as applied to the facts of the case, potential
24 defenses, and damages claimed by Plaintiff on behalf of himself and the Class. Discovery largely
25 focused on Plaintiff’s allegations that Class Members were not paid all wages owed, including
26 overtime and minimum wages, were not provided meal and rest periods, received improper wage
27

28 ³ The estimated costs from the proposed administrator Apex is not to exceed \$12,000. The Parties will provide an amendment to the Settlement Agreement to revise the administration costs from \$75,000 to \$12,000.

1 statements, were not reimbursed all necessary expenses, and were not paid all owed and due
2 wages during employment and upon separation of employment. Information and data exchanges
3 included significant sampling of all Class Members' time and pay records, and dates of
4 employment. The parties conducted their own evaluations of the potential recoveries based on the
5 claims alleged in the Action and the defenses at play.

6 19. Defendant generally denies all claims alleged in the action and further deny class or
7 representative treatment is appropriate for any purpose other than this settlement. It is therefore
8 also Defendant's position that if litigation continued, class certification would not be granted, and
9 would not result in any liability on the merits in any event. Defendant also positioned that it
10 maintained lawful and accurate wage and hour policies, paid employees all wages owed, regularly
11 trained its employees regarding its wage and hour policies, had no complaints from class members
12 regarding pay practices, that individuals all took breaks and lunches at the same time as is
13 customary in the construction field, and produced declarations from class members to support this
14 position. However, Defendant has concluded further litigation would be protracted and expensive.
15 Thus Defendant determined it is desirable to settle the Action in the manner and upon the terms
16 and conditions of the settlement agreement.

17 20. Although Plaintiff's Counsel believes the class claims are strong, Plaintiff's Counsel
18 also recognizes that if the litigation had continued, they may well have encountered significant legal
19 and factual hurdles that could have prevented the Class from obtaining any recovery. To be sure, a
20 number of cases have found wage and hours actions to be especially amenable to class resolution.
21 However, some courts have gone the other way, finding that some of the very claims at issue here-
22 especially meal period and rest period violations-were not suitable for class adjudication because
23 they raised too many individualized issues. *See Duran v. US. Bank National Association*, 59 Cal.
24 4th 1, 31 (2014) (reversing a verdict from a class trial); *Ali v. US.A. Cab Ltd.*, 176 Cal. App. 4th
25 1333, 1341 (2009) (affirming denial of certification because employees' declarations attesting to
26 having taken meal and rest periods demonstrated that individualized inquiries were required to show
27 harm); *Campbell v. Best Buy Stores, L.P.*, 2013 U.S. Dist. LEXIS 137792, at *30- 41 (C.D. Cal.
28 Sept. 20, 2013) (following *Brinker* and denying certification of proposed off-the-clock and rest and

1 meal break classes due to lack of uniform policy); *Jimenez v. Allstate Ins. Co.*, 2012 U.S. Dist.
2 LEXIS 65328 (C.D. Cal. Apr. 18, 2012) (denying motion to certify meal and rest period classes
3 based on employer's practice of understaffing and overworking employees); *Gonzalez v. Officemax*
4 *NA.*, 2012 U.S. Dist. LEXIS 163853 (C.D. Cal. Nov. 5, 2012) (same); *Brown v. Fed. Express Corp.*,
5 249 F.R.D.580, 587-88 (C.D. Cal. 2008) (denying certification of driver meal and rest period claims
6 based on the predominance of individual issues); *Kenny v. Supercuts, Inc.*, 252 F.R.D. 64 I, 645
7 (N.D. Cal. 2008) (denying certification on meal periods claim); *Blackwell v. Skywest Airlines, Inc.*
8 , 245 F.R.D. 453, 467- 68 (S.D. Cal. 2007) (declining to certify class action because individual
9 issues predominated when different employee stations provided different practices with respect to
10 meal periods).

11 21. Some courts have denied certification even when an employer's policies are unlawful
12 on their face. For instance, in *Ordonez v. Radio Shack, Inc.*, 2013 U.S. Dist. LEXIS 7868, *35-41
13 (C.D. Cal. Jan. 17, 2013), the court denied certification even though the plaintiff submitted evidence
14 of a facially unlawful policy regarding rest breaks. The *Ordonez* court concluded that the
15 predominance and superiority elements were not met based on the employer's presentation of
16 anecdotal evidence of lawful compliance notwithstanding the unlawful policy. *Id.* at *38-40. And it
17 should be underscored that that claims which are amendable to certification can be disposed of by
18 motion for summary judgment. *See Loudv. Eden Med. Ctr.*, 2013 U.S. Dist. LEXIS 122873, **36-
19 53 (N.D. Cal. Aug. 28, 2013) (granting summary judgment on wage statement claim because
20 plaintiff could not show injury due to defects and that incorrect wage information is not willful).

21 22. As the above examples illustrate, the prospect of certifying a wage and hour action
22 is always uncertain, and the risk of being denied class certification militates in favor of settlement.
23 A denial of class certification effectively forecloses continued litigation, as neither the individual
24 nor his or her attorney will have any incentive to proceed with an individual case when such small
25 claims are at stake. *See In re Baycol Cases I & II*, 51 Cal. 4th 751, 758 (2011) (explaining that a
26 dismissal of class claims is effectively the "death knell" of the case, despite survival of individual
27 claims). In other words, for cases where individual damages are relatively small, denial of class
28 certification results in a near-complete loss for Plaintiffs as well as no recovery for the employees,

1 who are shut out of the action. Thus, if the putative Class had not been certified, the value of
2 Plaintiff's case would have been reduced to a fraction of the value of this Settlement; indeed,
3 Defendant would likely have offered no money to settle the class-wide claims if certification had
4 been denied.

5 23. Finally, early resolutions save time and money that would otherwise go to litigation.
6 Parties' resources, as well as the Court's, will be further taxed by continued litigation. And if this
7 action had settled following additional litigation, the settlement amount would likely have taken into
8 account the additional costs incurred, and there may have been less available for Class Members.
9 Cost savings is one reason why California policy strongly favors early settlement. *See Nemy v.*
10 *Regents of University of California*, 3 Cal. 4th 273, 277 (1992) (explaining the high value placed on
11 settlements and observing that "[s]ettlement is perhaps most efficient the earlier the settlement
12 comes in the litigation continuum."). This concern also supports settlement.

13 24. Further, beyond the risk of an adverse ruling on the merits or certification, Class
14 Counsel considered the fact that continued litigation would likely take years and would be
15 extremely expensive given the breadth and complexity of the claims. In this case, post-trial and
16 appellate proceedings are likely to occur, which will surely drag the case far into the future even
17 with a positive trial result. When facing a distant and unsure resolution of the allegations in this
18 action, the swift, sure and substantial Settlement is all the more reasonable. Avoiding such costly
19 litigation in favor of more immediate benefits to the Class was a consideration favoring settlement.
20 Given these realities, it is highly likely that the future expense of this litigation, and its likely
21 duration if the settlement is not approved, would be significant and weigh heavily in favor of
22 approval of this settlement.

23 25. The GSA is well within the acceptable range of reasonableness for the claims
24 of the Settlement Class Members. After analysis and review of Defendant's time and pay record
25 production and other payroll data, Class counsel estimates the overall value of the claims at
26 approximately **\$5,360,853** should Plaintiff prevail at the class certification stage and at trial and
27 survive any appeals and win on all claims and be awarded maximum damages and penalties for
28 call class members and certain assumptions and extrapolations were confirmed with further

1 discovery. This amount was reduced by a reasonable 50% to **\$2,680,426** to account for the risks
2 of continued litigation and not prevailing on one or more claims and the Court not awarding
3 penalties based upon Defendant's good faith arguments. Indeed, Defendant's apparent compliant
4 policies could potentially support Defendant's good faith and lack of willfulness arguments, where
5 for example LC 203 and 226 claims could be reduced to zero, which accounts for approximately
6 50% of the alleged penalties and damages disused herein.

7 26. There are an estimated 55,565 workweeks during the class period and
8 approximately 28,458 PAGA pay periods during the PAGA Period of April 22, 2021 through
9 September 22, 2023. The value of the failure to pay overtime wages for off the clock work and
10 alleged rounding was valued at approximately **\$841,254** calculated as follows (OT rate of \$30.28
11 X 0.5 hour per week X 55,565 workweeks). The meal period claims were valued at approximately
12 **\$640,503** based upon approximately 317,395 potential shifts X 10% alleged violation rate X
13 \$20.18). The regular rate claim provided value of approximately **\$44,536** based \$152 alleged to
14 be underpaid X 293 full time equivalents and where less than 2% of pay periods were potentially
15 affected). Defendant also potentially owes to class members **\$954,110 in waiting time penalties**
16 (for a total of 197 termed employees X \$4,843.20). The value of the failure to reimburse
17 necessary business expenses was valued at approximately **\$161,150** (\$10 per month for occasional
18 cell phone use X 55 months in the class period X 293 full time equivalents). The value of the
19 derivative LC 226 claim was valued at **\$1,296,400** based upon 376 employees in the wage
20 statement period and approximately 28,458. Defendant also potentially owes to class members
21 **\$1,422,900 in PAGA** penalties based upon a reasonable \$50 per PAGA pay period penalty. The
22 rest period claim provided little to no value based apparent complaint policies in place during the
23 class period. As a result, the GSA of \$965,000.00 represents a reasonable recovery and
24 approximately 18%-36% of the overall potential value. This recovery could easily be much higher
25 if at trial PAGA penalties were reduced or damages for certain pay periods or workweeks could
26 not be proven for certain individuals. The proposed GSA is within the "ballpark of
27 reasonableness" and should be approved. Counsel for Plaintiff believes that this is a fair and
28 reasonable Settlement in light of the complexities of the case, the state of the law and uncertainties

1 of class certification and litigation, the policies and practices Defendant has had in place or
2 implemented during the purported liability period, and the benefit to be recovered for the Class.
3 Given the risks inherent in litigation, this settlement is fair, adequate, and reasonable and is in the
4 best interests of the Settlement Class, and should be preliminarily approved.

5 27. Based on the estimated Net Settlement Amount of **\$496,333.33** provides on
6 average each Settlement Class Member with approximately **\$971** per Class Member. To the
7 extent any amount for Attorneys' Fees, Costs, Claims Administration Costs or Incentives are not
8 awarded, the difference in those amounts will be added to the NSA. This is a guaranteed amount
9 of money paid to Settlement Class Members now, rather than the continued risk of further
10 litigation and receiving no money sometime in the far future and after trial and appeals.

11 28. The PAGA members who worked during the PAGA period will be paid a PAGA
12 Payment based upon a pro rata share of the number of pay periods each PAGA member worked
13 compared to the total pay periods worked by all PAGA group members during the PAGA period
14 of April 22, 2021 through September 22, 2023. As a result, there are approximately 376 PAGA
15 members who will each receive approximately **\$66** per PAGA member.

16 29. The Class Representative has provided extensive supporting documents and
17 assisted Class Counsel in developing information necessary to litigate and settle this case.
18 Plaintiff also conducted record review and consultation with counsel in preparation for mediation,
19 and to assist in evaluating and proving the claims. The settlement provides for a Payment to be
20 paid to the Class Representative in the amount of \$10,000.00 subject to Court approval. The
21 purpose is to compensate the Class Representatives an additional incentive payment, taking into
22 consideration the risks, time, effort and expenses incurred in coming forward to provide invaluable
23 information and negotiate and litigate this matter on behalf of all Settlement Class Members who
24 otherwise, would probably not file their own individual claims to recover what may be relatively
25 low damages. Further, the Payment of \$10,000.00 as an Enhancement Payment to the Class
26 Representative is a very fair and justified as part of the Settlement based on the risks Plaintiff has
27 taken and benefits conferred upon the Settlement Class.

28 30. Class certification, as requested by the Parties for the purposes of the settlement

1 only, should be granted because Plaintiff allege that the proposed Settlement Class Members'
2 claims all stem from the same alleged conduct, i.e., that Defendant violated California law because
3 of Defendant's failure to pay minimum wages, failure to pay overtime compensation, failure to
4 authorize and provide meal periods or premium pay in lieu thereof, failure to authorize and permit
5 rest breaks of premium pay in lieu thereof, failure to indemnify necessary business expenses,
6 failure to timely pay final wages at termination, and unfair business practices. In addition to
7 compensatory damages, Plaintiff and the Settlement Class seek attorneys' fees, costs, and interest.
8 Under these specific circumstances, the commonality requirement for class certification is
9 satisfied. The typicality requirement for certification is also met as it is alleged that the Class
10 Representative and the proposed Settlement Class were subjected to similar violations based upon
11 similar conduct, policies and practices of the Defendant regardless of their duties.

12 31. The adequacy requirement for certification is also met. The Class Representative
13 and Class Counsel have prosecuted this action vigorously on behalf of the Settlement Class. The
14 Class Representative will receive a reasonable award for the time and effort spent assisting Class
15 counsel with factual issues surrounding the case. Other than this specific payment to the Class
16 Representative, all of the Settlement Class Members will receive a proportionate share of the
17 NSA, as detailed above provided they do not exclude themselves. Further, all PAGA Members
18 during the PAGA Period will receive their pro rata share of PAGA Penalties. As a result, there is
19 no conflict of interest between the Class Representative and the Settlement Class Members.
20 Further, the NSA will be fairly distributed among Participating Class Members, and no
21 "settlement allocation" questions will be raised.

22 32. Common questions of law and fact predominate over individual questions and
23 class-wide treatment of this dispute is superior to individual litigation. Plaintiff alleges that the
24 proposed Settlement Classes in this case are sufficiently cohesive, since all Settlement Class
25 Members share a common nucleus of facts and potential legal remedies, and since all of the
26 Settlement Class Members and the Class Representative seek compensation for unpaid wages and
27 other civil and statutory penalties from Defendant for the allegations described in the Complaints.
28 Common questions about compensation or lack thereof for work performed by Settlement Class

1 Members and the Settlement Class Members' potential legal remedies are identical. The
2 alternative method of resolution is individual claims for relatively small amounts of damages, but
3 individual cases would be uneconomical for potential plaintiffs because the cost of litigation
4 dwarfs potential recovery. Therefore, a class action is the preferred method of resolution.

5 33. The class notice plan here calls for the proposed settlement administrator Apex
6 Class Action LLC, to mail a Notice of Class Action settlement to all known and reasonably
7 ascertainable Settlement Class Members based on Defendant's records. Further, the Settlement
8 Administrator will conduct a skip-trace and use all reasonable efforts to locate Settlement Class
9 Members and will re-mail all returned envelopes with forwarding addresses. The notice is
10 consistent with the class certification notices approved by numerous state and federal courts, and
11 is the best notice practicable under circumstances of this case. The proposed Settlement Class
12 Members are ascertainable because all of the Settlement Class Members have worked for
13 Defendant during the Class Periods and can be identified through Defendant's records.

14 34. The Notice also fulfills the neutrality requirement. It summarizes the proceedings
15 to date and the terms and conditions of the Settlement in an informative and coherent manner, and
16 is accurate, objective, and understandable to Settlement Class Members, as is required under
17 prevailing precedent. The Notice clearly states the Settlement does not constitute an admission of
18 liability by Defendant and recognizes the Court has not ruled on the merits. It also states the final
19 settlement approval decision has yet to be made. The Notice also clearly instructs the Settlement
20 Class Members on how to object or exclude themselves from the Settlement. Therefore,
21 Settlement Class Members will have the option to participate or exclude themselves simply by
22 mailing a request to exclude themselves. The Settlement Class consists of non-exempt employees
23 who speak English. Thus, the Notice of Class Action is drafted in a manner that is likely to be
24 readily understood by the Settlement Class. Accordingly, the Notice complies with the standards
25 of fairness, completeness and neutrality required of a Notice of Class Action Settlement. The
26 Notice therefore is neutral, objective and understandable.

27 35. I have a great deal of experience in wage and hour class action litigation. I have
28 obtained certification of several classes, I have been approved as class counsel in many other

1 wage/hour class actions, and I am currently litigating numerous others. Although not an all
2 inclusive list, over the years I have prosecuted the following class action matters as lead and/or co-
3 lead counsel, all of which implicated similar law and facts to those associated with this action:

4 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.: 30-
5 2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium
6 wages for meal period and rest periods and resultant penalties. Class Notice pending.

7 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN DISTRICT- Case
8 No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-
9 classification of insurance claims adjusters employed by Gallagher Bassett, a third
10 party administrator (TPA) in the State of California. Certification granted. Plaintiff's
11 counsel co-lead counsel. Case settled, Final Approval granted, no objections and funds
12 fully distributed.

13 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-
14 04554. Wage and Hour Class Action case seeking past wages for "off the clock",
15 overtime and meal and rest break violations for production workers in the State of
16 California. Plaintiff's Counsel appointed as Lead Counsel. Case settled, Final
17 Approval granted, no objections and funds fully distributed.

18 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW.
19 Wage and Hour Class Action case seeking past wages for meal and rest period
20 violations for retail employees in the State of California. Plaintiff's counsel appointed
21 co-lead counsel. Case settled, Final Approval granted, no objections and funds fully
22 distributed.

23 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No.
24 SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and
25 rest period violations for retail employees in the State of California. Plaintiff's
26 Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no
27 objections and funds fully distributed.

28 f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles County

1 Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past
2 wages for overtime, meal and rest break violations for driver employees in the State of
3 California. Settlement for “binding arbitration.” Arbitration Award for Plaintiff Class.
4 Arbitration Award confirmed. Plaintiff’s counsel, lead trial counsel and class counsel.
5 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior
6 Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for
7 overtime, meal and rest breaks violations for production employees in the State of
8 California. Plaintiff’s counsel appointed as lead counsel. Case settled, Final Approval
9 granted, no objections and funds fully distributed.

10 h. *Acosta v. Fleetwood Travel Trailers of California, Inc., et al.*, Riverside County
11 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past
12 wages for overtime, meal and rest break violations for production employees in the
13 State of California. Plaintiff’s counsel appointed as co-lead counsel. Case settled,
14 Final Approval granted, no objections and funds fully distributed.

15 i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293.
16 Wage and Hour Class Action seeking past wages for unlawful deductions, meal and
17 rest break violations for restaurant employees in the State of California. Plaintiff’s
18 counsel appointed as lead counsel. Case settled, Final Approval granted and funds
19 fully distributed.

20 j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case
21 No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal
22 and rest break violations for security officers in the State of California. Plaintiff’s
23 counsel appointed as co-lead counsel. Case settled, Final Approval granted, no
24 objections and funds fully distributed.

25 k. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court,
26 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action
27 seeking past wages for meal and rest break violations for security officers employed by
28 Defendant in the State of California. Plaintiff’s counsel and co-counsel. Case settled,

1 Final Approval granted and funds fully distributed.

2 l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.*, Riverside Superior Court,
3 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime,
4 meal and rest break violations for housekeepers employed by Defendant in the State of
5 California. Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval
6 granted, no objections and funds fully distributed.

7 m. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
8 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages
9 for field and branch employees of Defendant in the State of California. Plaintiff's
10 counsel appointed as lead counsel. Case settled, Final Approval granted, no objections
11 and funds fully distributed.

12 n. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
13 05CC00128. Wage and Hour Class Action seeking past wages for restaurant
14 employees of Defendant in the State of California. Plaintiff's counsel appointed as
15 lead counsel. Case settled, Final Approval granted, no objections and funds fully
16 distributed.

17 o. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
18 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest
19 break violations for security guards employed by Defendant in the State of California.
20 Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no
21 objections and funds fully distributed.

22 p. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles Superior
23 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and
24 rest break violations for production employees employed by Defendant in the State of
25 California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval
26 granted, no objections and funds fully distributed.

27 q. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court, Case
28 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest

1 break violations for restaurant employees employed by Defendant in the State of
2 California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final
3 Approval granted, no objections and funds fully distributed.

4 r. *Osuna v. DFG Restaurants, Inc.*, et al., Los Angeles Superior Court, Case No. BC
5 330145. Wage and Hour Class Action seeking past wages of overtime for mis-
6 classification of managers employed by Defendant, DBA Carl's Jrs. in the State of
7 California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final
8 Approval granted, no objections and funds fully distributed.

9 s. *Burns v. Gymboree Operations, Inc.*, et al., San Francisco Superior Court, Case No.
10 CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest
11 break violations for retail employees employed by Defendant in the State of California.
12 Plaintiff's counsel appointed lead counsel. Case settled, Final Approval granted, no
13 objections and funds fully distributed.

14 t. *Willems v. Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No.
15 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-
16 classification of managers employed by Defendant in the State of California.
17 Plaintiff's counsel appointed lead counsel. Case settled, Final Approval granted, no
18 objections and funds fully distributed.

19 u. *Davila, et al. v. Beckman Coulter, Inc.*, et al., Orange County Superior Court, Case
20 No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal
21 and rest break violations for production workers employed by Defendant in the State of
22 California. Plaintiff's counsel appointed lead counsel. Case settled; final approval
23 granted; no objections and funds fully distributed.

24 v. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
25 Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime,
26 meal and rest period violations for production employees employed by Defendant in
27 the State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final
28 Approval granted, no objections and funds fully distributed.

1 36. Here, the Parties' agreement to pay Class Counsel Fees of 33% of the GSA is
2 reasonable. My firm and I have been the only counsel to represent Plaintiff and the Settlement
3 Class in this matter, and we have borne the entire risk and cost of this litigation on a pure
4 contingency fee basis. The legal issues raised drew significantly upon my experience and the
5 extensive review and analysis of documents and information by me and others at my firm and our
6 co counsel. In a complex action such as this, the proposed attorneys' fees are, at the very least, on
7 the low side of the market rate for contingency fees.

8 37. At this juncture, with the addition of more hours due to the administration of the
9 the Settlement by Class Counsel, administration of the Settlement, and preparation for final
10 approval, counsel for plaintiff will provide a detailed analysis of its time in advance of the final
11 approval hearing. Plaintiff's counsel will file a motion for attorneys' fees and costs to be heard
12 concurrently with the motion for final approval in accordance with the terms of the settlement
13 agreement.

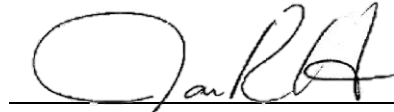
14 38. Despite the complexity of the case, Class Counsel has, through the investment of
15 substantial effort and the resources of my law firm been able to secure an outstanding settlement
16 on behalf of the Settlement Class. Plaintiff would have faced substantial legal and factual
17 obstacles in demonstrating that class certification was appropriate. Plaintiff would also have been
18 required to establish a significant amount of witness testimony, pattern and practice evidence,
19 statistical evidence, sampling evidence, expert testimony, and other evidence in order to present
20 their case both at the class certification stage and trial. Defendant vigorously contested liability,
21 the amount of claimed damages, and the propriety of class certification, and would have continued
22 to do so through trial. Accordingly, I believe the Settlement to be fair, reasonable, and adequate
23 and in the best interests of the Settlement Class. The fairness and adequacy of the Settlement is
24 confirmed by all known facts and circumstances, including the risk of significant delay and
25 uncertainty associated with litigation, the various defenses asserted by Defendant, and numerous
26 potential appellate issues.

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I declare under penalty of perjury that the foregoing is true and correct. Executed on
October 5, 2023 at Irvine, California.


James R. Hawkins

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EXHIBIT 1

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

2 This Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement
3 Agreement”) is made and entered into by and between Plaintiff Anival Salazar (“Plaintiff or “Class
4 Representative”), on behalf of himself and all others similarly situated and alleged aggrieved
5 employees, and Defendant American Integrated Services, Inc. (“Defendant” or “AIS”) (collectively
6 with Plaintiff, the “Parties”).

7 This Settlement Agreement shall be binding on Plaintiff and Participating Class Members
8 (as defined herein) and on AIS, subject to the terms and conditions hereof and the approval of the
9 Court.

10 **RECITALS**

11 1. On February 14, 2022, Plaintiff filed a Class Action Complaint for Damages against
12 AIS in the Superior Court of California for the County of Los Angeles, Case No. 22STCV05538,
13 alleging causes of action for violation of the California Labor Code and California Business &
14 Professions Code §§ 17200 *et seq.* on behalf of all current and former hourly paid or non-exempt
15 employees who worked for AIS within the State of California at any time since February 14, 2018
16 for failure to pay minimum wages, failure to pay overtime compensation, failure to authorize and
17 provide meal periods or premium pay in lieu thereof, failure to authorize and permit rest breaks of
18 premium pay in lieu thereof, failure to indemnify necessary business expenses, failure to timely pay
19 final wages at termination, and unfair business practices. On February 15, 2022, Plaintiff filed a
20 First Amended Class Action Complaint against Defendant, adding a cause of action for failure to
21 provide accurate itemized wage statements (“Class Action”).

22 2. On February 15, 2022, Plaintiff provided written notice by certified mail to the
23 Labor and Workforce Development Agency (“LWDA”) and AIS of the specific provisions of the
24 California Labor Code that Plaintiff alleged AIS had violated with respect to non-exempt and/or
25 hourly paid employees in California. On April 22, 2022, Plaintiff filed a Complaint for Enforcement
26 Under the Private Attorneys General Act, California Labor Code § 2698 *et seq.* (“PAGA”) against
27 AIS in the Superior Court of California for the County of Los Angeles, Case No. 22STCV13570
28 (the “PAGA Action”), alleging a single cause of action pursuant to the PAGA seeking penalties for:

1 failure to pay for all hours worked, including overtime; failure to authorize and provide meal
2 periods or premium pay in lieu thereof; failure to authorize and permit rest periods or premium pay
3 in lieu thereof; failure to reimburse and indemnify expenses; failure to timely pay all wages at
4 termination; and failure to furnish accurate itemized wage statements.

5 3. On January 12, 2023, Plaintiff filed a Second Amended Class Action Complaint
6 against AIS, adding a cause of action for civil penalties under the PAGA (the “Combined Action”).
7 On January 13, 2023, Plaintiff filed a request for dismissal without prejudice of the PAGA Action,
8 which was granted.

9 4. AIS denies all material allegations set forth in the Combined Action and has asserted
10 numerous affirmative defenses; further, AIS denies that the Combined Action could be certified as a
11 “class” or proceed on a representative basis, other than for purposes of settlement. Notwithstanding,
12 in the interest of avoiding further litigation, the Parties desire to fully and finally settle the
13 Combined Action.

14 5. Class Counsel in the Combined Action diligently investigated the proposed Class
15 Members’ claims against Defendant. The investigation included, *inter alia*, the exchange of
16 information, data, and documents, as well as review of numerous company policies and practices
17 and written discovery requests.

18 6. On May 9, 2023, the Parties participated in mediation with Michael Dickstein, Esq.
19 (the “Mediator”), a respected mediator of complex wage and hour actions, and, with the Mediator’s
20 assistance, the Parties reached the settlement that is memorialized herein (the “Settlement”). The
21 settlement discussions were conducted at arm’s-length, and the settlement is the result of an
22 informed and detailed analysis of AIS’s potential liability in relation to the costs and risks
23 associated with continued litigation. Based on the documents produced, as well as Class Counsel’s
24 own independent investigation and evaluation, Class Counsel believes that the Settlement with AIS
25 for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate
26 and is in the best interest of the Class Members in light of all known facts and circumstances,
27 including the risk of significant delay and uncertainty associated with litigation and various
28 defenses asserted by AIS.

7. The Parties expressly acknowledge that this Settlement Agreement is entered into **solely** for the purpose of compromising **significantly disputed** claims and that nothing herein is an admission of liability or wrongdoing by AIS. This Agreement and the Settlement are contingent upon the Court's approval of the Settlement, and Defendant does not consent to certification of the Class for any purpose other than to effectuate settlement of the Combined Action memorialized in this Agreement. If, for any reason, the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

8. As used in this Agreement, the following terms and phrases shall have the meanings set forth below; definitions contained elsewhere in this Agreement will also be effective:

a. "Aggrieved Employee(s)" means all individuals who were employed by Defendant in California as non-exempt employees at any time(s) during the PAGA Period (as defined below).

b. "Attorneys' Fees" means the amount to be paid to Class Counsel for their attorneys' fees in litigating the Combined Action, subject to approval by the Court, as set forth in Paragraph 12 below.

c. "Attorneys' Costs" means all actual costs incurred by and to be incurred by Class Counsel in the Combined Action, subject to approval by the Court.

d. "Class Counsel" or "Plaintiff's Counsel" mean James R. Hawkins, Gregory Mauro, Michael Calvo, and Ava Issary of James Hawkins APLC, who will seek to be appointed counsel for the Class, subject to Court approval.

e. "Class List" means a complete list of all Class Members and Aggrieved Employees that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator pursuant to the terms of this Agreement. The Class List will be formatted in a readable Microsoft Office Excel file and will include each Class Member's: (i) full name; (ii) telephone number and/or email address, if available; (iii) last known mailing address; (iv) Social Security number; and (v) dates worked for Defendant during the Class Period in a non-exempt/hourly-paid position.

1 f. "Class Member(s)" or "Class" mean all individuals who were employed by
2 Defendant in California as non-exempt employees at any time(s) during the applicable Class Period
3 (as defined below), inclusive. As of May 9, 2023, Defendant estimates that there were
4 approximately 490 Class Members.

5 g. "Class Period" means the time period from February 6, 2019 through
6 September 22, 2023.

7 h. "Court" means the Superior Court of the State of California for the County of
8 Los Angeles.

9 i. "Defendant's Counsel" means Kate S. Gold, Philippe A. Lebel, and Dixie M.
10 Morrison of Proskauer Rose LLP.

11 j. "Effective Date" means: (a) if no Class Member files and serves any timely
12 and valid objection to the Parties' settlement, then the date upon which the Court grants Final
13 Approval (as defined below) of the Settlement; (b) if any Class Member files and serves a timely
14 and valid objection that is subsequently withdrawn, then the date upon which the Court grants Final
15 Approval of the Settlement; or (c) if any Class Member files and serves a valid and timely
16 objection, then the date which is sixty-five (65) days after (1) service of notice of entry of the Final
17 Approval Order and Judgment (as defined below) on the Parties to the Combined Action and all
18 objectors to the Parties' settlement, if any, without appeals or requests for review being taken, or (ii)
19 service of notice of entry of an order affirming the Final Approval Order and Judgment or denying
20 review after exhaustion of all appellate remedies, if appeals or requests for review have been taken.

21 k. "Enhancement Payment" means the Court-approved amount to be paid to
22 Plaintiff in recognition of his effort and work in prosecuting the Combined Action on behalf of
23 Class Members and in exchange for a general release, as set forth in Paragraph 13 below.

24 l. "Final Approval" means the determination by the Court that the Settlement is
25 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

26 m. "Final Approval Hearing" means the hearing at which the Court will consider
27 and determine whether the Settlement should be granted Final Approval.
28

1 n. “Final Approval Order and Judgment” means an order granting final approval
2 of the Parties’ Settlement of the Combined Action and entering final judgment in the Combined
3 Action.

4 o. “Gross Settlement Amount” means the amount of nine hundred sixty-five
5 thousand dollars and zero cents (\$965,000.00) to be paid by AIS pursuant to this Settlement
6 Agreement in full settlement of the Combined Action and in exchange for release of all Released
7 Claims by all Participating Class Members and the release of the Released PAGA Claims by all
8 Aggrieved Employees. The following amounts shall be payable from the Gross Settlement Amount:
9 (1) all Court-approved Attorneys’ Fees and Attorneys’ Costs; (2) the Court-approved Enhancement
10 Payment; (3) the LWDA Payment; (4) Court-approved Settlement Administration Costs; (5) the
11 Aggrieved Employee Share; and (6) the Net Settlement Amount to be paid to the Participating Class
12 Members. The employer’s share of taxes on the wage portion of Individual Settlement Shares will
13 be paid separately and in addition to the Gross Settlement Amount.

14 p. “Individual PAGA Share” means the *pro rata* share of the Aggrieved
15 Employee Share that a Class Member may be eligible to receive under the Settlement Agreement,
16 to be calculated in accordance with Paragraph 16.

17 q. “Individual Settlement Payment” means the net payment of each
18 Participating Class Member’s Individual Settlement Share, after reduction for the employee’s share
19 of taxes and withholdings with respect to the wage portion of the Individual Settlement Share, as
20 provided in Paragraph 28 below.

21 r. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
22 Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be
23 calculated in accordance with Paragraph 16.

24 s. “LWDA Payment” means the California Labor and Workforce Development
25 Agency’s (“LWDA”) 75% share of the PAGA Amount, as set forth in Paragraph 15.

26 t. “Net Settlement Amount” means the amount remaining from the Gross
27 Settlement Amount that is available for distribution to Participating Class Members, which is the
28 Gross Settlement Amount less the Court-approved Enhancement Payment, Settlement

Administration Costs, LWDA Payment, Aggrieved Employee Share, Attorneys' Fees, and Attorneys' Costs.

u. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement, which must be in writing and include: (a) the case name and number of the Combined Action; (b) the objector's full name, signature, address, and telephone number, and the last four digits of the Class Member's Social Security number; (c) a written statement of all grounds for the objection accompanied by any legal support for such objection (if any); and (d) copies of any papers, briefs, or other documents upon which the objection is based (if any).

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

w. "Operative Complaint" refers to the Second Amended Class Action Complaint for Damages filed on January 12, 2023.

x. "PAGA Amount" means the \$100,000 portion of the Gross Settlement Amount allocated by the Parties to settlement of Plaintiff's Eighth Cause of Action (and accompanying requests for relief) in the Operative Complaint.

y. "PAGA Period" means the time period from April 22, 2021 through September 22, 2023.

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

aa. "Released Claims" means all claims pled or that could have been pled in the Operative Complaint deriving from and/or based on the facts alleged, arising out of, or related to services to or work performed for AIS during the Class Period upon final approval of the Settlement, including claims for wages, penalties, interest, attorneys' fees, and/or costs, including all claims, causes of action, and/or requests for relief pursuant to California Labor Code sections 200, 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*; California Business & Professions Code sections 17200 *et seq.*; and the applicable Wage Orders of the Industrial Welfare Commission.

1 bb. “Released PAGA Claims” shall mean all claims pursuant to the PAGA pled
2 or that could have been pled in the Operative Complaint deriving from and/or based on the facts
3 alleged, arising out of, or related to services to or work performed for AIS during the PAGA Period.

4 cc. “Released Parties” means AIS and all its parent, subsidiary, affiliated, and/or
5 related companies and entities, past and present, as well as its/their officers, directors, investors,
6 owners, shareholders, employees, partners, members, agents, accountants, and attorneys, and each
7 of them, past or present.

8 dd. “Request for Exclusion” means a timely written and signed request (e.g.,
9 letter) submitted by a Class Member to be excluded from the Settlement. The Request for Exclusion
10 must: (a) contain the case name and number of the Combined Action; (b) be signed by the Class
11 Member; (c) contain the full name, address, telephone number, and the last four digits of the Social
12 Security number of the Class Member requesting exclusion; (d) clearly state that the Class Member
13 does not wish to be included in the Settlement; and (e) be returned by mail to the Settlement
14 Administrator at the specified address, postmarked on or before the Response Deadline. The date of
15 the postmark on the return mailing envelope on the submission will be the exclusive means to
16 determine whether a Request for Exclusion has been timely submitted. A Class Member who does
17 not request exclusion from the Settlement will be deemed a Participating Class Member and will be
18 bound by all terms of the Agreement if the Settlement is granted Final Approval by the Court.

19 ee. “Response Deadline” means the deadline by which Class Members must
20 submit a Request for Exclusion, Notice of Objection, and/or dispute of the Workweeks credited to
21 them, which shall be the date that is forty-five (45) calendar days from the initial mailing of the
22 Notice of Settlement by the Settlement Administrator, unless the 45th day falls on a Sunday or
23 federal holiday, in which case the Response Deadline will be extended to the next day on which the
24 U.S. Postal Service is open. The Response Deadline may also be extended by express agreement
25 between Class Counsel and Defendant’s Counsel. Under no circumstances, however, will the
26 Settlement Administrator have the authority to extend the Response Deadline unilaterally. In the
27 event that a Notice of Settlement is re-mailed to a Class Member, the Response Deadline for that
28 Class Member shall be extended by fifteen (15) calendar days.

ff. “Settlement Administrator” means Apex Class Action LLC. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

gg. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth in Paragraph 14 below.

hh. “Participating Class Members” means all Class Members who do not submit a valid and timely Request for Exclusion.

ii. “Workweeks” means the number of calendar days that each Class Member worked for AIS in a non-exempt/hourly-paid position during the Class Period, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest hundredth of a workweek. Each Class Member will be credited with at least one (1) Workweek.

CLASS CERTIFICATION

9. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class, as defined herein.

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

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

11. Funding of the Gross Settlement Amount. Within ten (10) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by AIS pursuant to the terms of the Settlement Agreement. Within twenty-one (21) business days of the Effective Date, AIS will make a one-time deposit of the Gross Settlement

1 Amount into a qualified settlement fund (“QSF”) account to be established by the Settlement
2 Administrator for purposes of this Settlement. Within seven (7) calendar days of the funding of
3 Gross Settlement Amount, the Settlement Administrator will issue payments due under the
4 Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to
5 Participating Class Members and Individual PAGA Share payments to Class Members who timely
6 excluded themselves from the Class portion of the Settlement; (b) LWDA Payment to the LWDA;
7 (c) Enhancement Payment to Plaintiff; and (d) Attorneys’ Fees and Attorneys’ Costs to Class
8 Counsel. The Settlement Administrator will also issue a payment to itself for Settlement
9 Administration Costs.

10 12. Attorneys’ Fees and Attorneys’ Costs. Class Counsel will request and AIS agrees
11 not to oppose an award of Attorneys’ Fees of up to thirty-three and one-third percent (33%) of the
12 Gross Settlement Amount (i.e., up to three hundred twenty-one thousand, six hundred sixty-six
13 thousand dollars and sixty-seven cents (\$321,666.67)) and reimbursement of actual costs and
14 expenses associated with Class Counsel’s litigation and settlement of the Combined Action (i.e., the
15 Attorneys’ Costs), in an amount not to exceed twenty-five thousand dollars (\$25,000.00), both of
16 which will be paid from the Gross Settlement Amount, subject to Court approval. These amounts
17 will cover any and all work performed and any and all costs incurred by Class Counsel in
18 connection with the litigation of the Combined Action, including, without limitation, all work
19 performed and costs incurred to date, and all work to be performed and all costs to be incurred in
20 connection with obtaining the Court’s approval of this Settlement Agreement, including any
21 objections raised and any appeals necessitated by those objections. Class Counsel shall be solely
22 and legally responsible for correctly characterizing this compensation for tax purposes and for
23 paying any taxes on the amounts received. To the extent the Court does not approve the entire
24 amount(s) requested by Class Counsel as Attorneys’ Fees and/or Attorneys’ Costs, it shall not affect
25 the terms of the Parties’ Settlement and any portion of the Attorneys’ Fees and Attorneys’ Costs not
26 awarded to Class Counsel shall remain part of the Gross Settlement Amount and shall be distributed
27 to Participating Class Members as part of the Net Settlement Amount.
28

1 13. Enhancement Payment. In recognition of his efforts and work in prosecuting the
2 Combined Action and in consideration of his general release of all claims, AIS agrees not to oppose
3 or impede any application or motion for an Enhancement Payment in an amount up to ten thousand
4 dollars (\$10,000.00) to Plaintiff Anival Salazar, payable from the Gross Settlement Amount, subject
5 to Court approval. Any Court-approved Enhancement Payment will be in addition to Plaintiff's
6 Individual Settlement Payment that is to be paid pursuant to the Settlement. The Settlement
7 Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff
8 shall be solely and legally responsible for correctly characterizing this compensation for tax
9 purposes and for paying any taxes on the amounts received. Plaintiff agrees to indemnify and hold
10 AIS harmless from any claim or liability for taxes, penalties, or interest arising as a result of the
11 Enhancement Payment. Should the Court approve the Enhancement Payment to Plaintiff in an
12 amount that is less than requested by Class Counsel, the difference between the lesser amount
13 approved by the Court and the amount allocated toward the Enhancement Payment will be part of
14 the Net Settlement Amount for the benefit of Participating Class Members.

15 14. Settlement Administration Costs. Subject to Court approval, the Settlement
16 Administrator will be paid for the reasonable costs of administration of the Settlement and
17 distribution of payments under the settlement, which is currently estimated not to exceed seventy-
18 five thousand dollars (\$75,000.00). These costs, which will be paid from the Gross Settlement
19 Amount, subject to Court approval, will include, *inter alia*, printing, distributing, and tracking
20 Notices of Settlement and other documents for this Settlement, calculating and distributing
21 payments due under the settlement, issuing of 1099 and W-2 IRS Forms and all required tax
22 reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and
23 other duties and responsibilities set forth herein to process this Settlement, and as requested by the
24 Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount
25 stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to
26 approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement
27 Administration Costs which are not in fact required to fulfill payment to the Settlement
28

1 Administrator to undertake the requirement settlement administration duties will become part of the
2 Net Settlement Amount.

3 15. LWDA Payment. Subject to approval by the Court, the Parties have allocated one
4 hundred thousand dollars (\$100,000.00) from the Gross Settlement Amount to the PAGA Amount,
5 of which seventy-five percent (75%), or \$75,000.00, will be paid to the LWDA (i.e., the LWDA
6 Payment) and twenty-five percent (25%), or \$25,000.00, will be distributed to Participating Class
7 Members as part of the Net Settlement Amount (the “Aggrieved Employee Share”).

8 16. Individual Settlement Share Calculations. Individual Settlement Shares will be
9 calculated and apportioned from the Net Settlement Amount based on the Class Members’
10 respective Workweeks, as follows:

11 a. After Preliminary Approval of the Settlement, the Settlement Administrator
12 will divide the Net Settlement Amount by the total Workweeks of all Class Members to yield the
13 “Estimated Workweeks Value,” and multiply each Class Member’s individual Workweeks by the
14 Estimated Workweeks Value to yield each Class Member’s estimated Individual Settlement Share
15 that each individual Class Member may be eligible to receive under the Settlement.

16 b. After Final Approval of the Settlement, the Settlement Administrator will
17 divide the final Net Settlement Amount by the Workweeks of all Participating Class Member to
18 yield the “Final Workweeks Value,” and multiply each Participating Class Member’s individual
19 Workweeks by the Final Workweeks Value to yield each Participating Class Member’s Individual
20 Settlement Share, which shall be paid from the Net Settlement Amount, less applicable employee-
21 side tax withholdings.

22 c. The Settlement Administrator will also divide the Aggrieved Employee Share
23 by the total Workweeks within the PAGA Period of all Aggrieved Employees to yield the “PAGA
24 Workweeks Value,” and multiply each Aggrieved Employee’s Workweeks within the PAGA
25 Period by the PAGA Workweeks Value to yield such individual’s Individual PAGA Share. The
26 Settlement Administrator may, at its discretion, issue payment for any Participating Class
27 Member’s Individual PAGA Share payment together with the non-wage portion of such
28 Participating Class Member’s Individual Settlement Payment.

d. Workweeks shall be determined based on Class Members' dates of employment by Defendant in California in a non-exempt position during the Class or PAGA Period, divided by seven. Defendant represents there are approximately 55,565 Workweeks during the Class Period.

17. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff or any Class Member to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

18. Delivery of the Class List. Within fifteen (15) business days of Preliminary Approval, AIS will provide the Class List to the Settlement Administrator.

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

a. Within fourteen (14) calendar days after receiving the Class List from AIS, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail the Notice of Settlement in English to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Notices of Settlement that are returned as undeliverable on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-trace and re-mail the Notices of Settlement within five (5) calendar days. There shall be no obligation to re-mail a Notice of Settlement more than one (1) time.

20. Dispute Regarding Workweeks. Class Members will have an opportunity to dispute the number of Workweeks to which they have been credited, as reflected in their respective Notices

1 of Settlement. To dispute Workweeks, Class Members must submit a written letter to the Settlement
2 Administrator that: (a) contains the case name and number of the Class Action; (b) is signed by the
3 Class Member; (c) contains the full name, address, telephone number, and last four digits of the
4 Social Security Number of the disputing Class Member; (d) clearly states that the Class Member
5 disputes the number of Workweeks credited to such Class Member and what they contend is the
6 correct number to be credited to them; (e) includes information and/or attaches documentation
7 demonstrating that the number of Workweeks that the Class Member contends should be credited to
8 them are correct; and (f) is returned by mail to the Settlement Administrator at the specified
9 address, postmarked on or before the Response Deadline. The date of the postmark on the return
10 mailing envelope on the submission will be the exclusive means to determine whether a dispute has
11 been timely submitted. Absent evidence rebutting the accuracy of AIS's records and data as they
12 pertain to the number of Workweeks to be credited to a disputing Class Member, AIS's records will
13 be presumed correct and determinative of the dispute. However, if a Class Member produces
14 information and/or documents to the contrary, the Settlement Administrator will evaluate the
15 materials submitted by the Class Member and will resolve and determine the number of eligible
16 Workweeks that the disputing Class Member should be credited with under the Settlement. The
17 Settlement Administrator's decision on such disputes will be final and non-appealable.

18 21. Settlement Checks. The Settlement Administrator will be responsible for
19 undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement
20 Payments by way of check to the Participating Class Members in accordance with this Settlement
21 Agreement. Each Individual Settlement Payment check (and any Individual PAGA Share checks)
22 will be valid and negotiable for one hundred eighty (180) calendar days from the date each check is
23 issued and thereafter shall be void/cancelled. All funds associated with such void/cancelled checks
24 will be transmitted to the Unclaimed Property Fund maintained by the California State Controller's
25 Office, in accordance with section 384 of the California Code of Civil Procedure. The Settlement
26 Administrator shall undertake amended and/or supplemental tax filings and reporting, required
27 under applicable local, state, and federal tax laws, that are necessitated due to the cancellation of
28 any Individual Settlement Payment checks.

1 22. Procedure for Requesting Exclusion from the Settlement. Any Class Member
2 wishing to be excluded from the Settlement must submit a written Request for Exclusion to the
3 Settlement Administrator, by mail, by the Response Deadline. The date of the postmark on the
4 return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
5 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
6 Defendant's Counsel the Requests for Exclusion that were timely submitted, and also identify the
7 individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to
8 be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits
9 a Request for Exclusion is prohibited from making any objection to the Settlement Agreement.

10 23. Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any
11 Class Member who does not affirmatively request exclusion from the Settlement by submitting a
12 timely and valid Request for Exclusion will be bound by all of the terms of the Settlement
13 Agreement, including and not limited to those pertaining to the Released Claims, as well as any
14 judgment that may be entered by the Court if it grants Final Approval to the Settlement.

15 24. Release By Aggrieved Employees. Any Class Member who is also an Aggrieved
16 Employee *and* who timely submits a Request for Exclusion shall not receive any portion of the Net
17 Settlement Amount but *shall* nonetheless be issued a check for their Individual PAGA Share.
18 Whether they deposit their Individual PAGA Share checks or not, all Aggrieved Employees shall be
19 deemed to have released the Released PAGA Claims as to the Released Parties.

20 25. Procedures for Objecting to the Settlement. To object to the Settlement, Class
21 Members who have not timely submitted a Request for Exclusion (i.e., Participating Class
22 Members) must submit a timely and complete Notice of Objection to the Settlement Administrator,
23 by mail, on or before the Response Deadline. The Notice of Objection must be signed by the
24 Participating Class Member and contain all information required by this Settlement Agreement. The
25 postmark date will be deemed the exclusive means for determining that the Notice of Objection is
26 timely. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage
27 Participating Class Members to object to the Settlement Agreement or appeal from the Final
28

1 Approval Order and Judgment. In lieu of submitting a written Notice of Objection, Participating
2 Class Members may also present their objection at the Final Approval Hearing.

3 26. Reports by the Settlement Administrator Regarding Settlement Administration. The
4 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report that
5 certifies: (a) the number of Class Members who have submitted a dispute of Workweeks; (b) the
6 number of Class Members who have submitted timely and valid Requests for Exclusion or timely
7 and complete Notices of Objection; and (c) the number of undeliverable and re-mailed Notices.
8 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
9 reports regarding the administration of the Settlement as needed or requested, and immediately
10 notify the Parties when it receives a request from an individual or any other entity regarding
11 inclusion in the Class and/or Settlement.

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

15 28. Tax Treatment of Individual Settlement Payments. Each Individual Settlement
16 Share will be allocated as follows for tax purposes: fifty percent (50%) alleged back wages and fifty
17 percent (50%) alleged penalties, liquidated damages, and interest. The portion allocated to wages
18 will be reported on an IRS Form W-2, and the portion allocated to penalties, liquidated damages,
19 and interest will be reported on an IRS Form 1099 by the Settlement Administrator. Each
20 Aggrieved Employee's Individual PAGA Share shall be allocated one hundred percent (100%) to
21 penalties and shall be reported on an IRS Form 1099 by the Settlement Administrator. The
22 Settlement Administrator will withhold the employee's share of taxes and withholdings with respect
23 to the wage portion of the Individual Settlement Shares and issue checks to Participating Class
24 Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement
25 Share net of these taxes and withholdings). The employer's share of taxes on the wage portion of
26 Individual Settlement Shares will be paid by AIS separately and in addition to the Gross Settlement
27 Amount.
28

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

7 30. Tax Liability. Plaintiff, Class Counsel, AIS, and Defendant's Counsel do not intend
8 anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability,
9 nor shall anything in this Settlement Agreement be relied on as such. Plaintiff and Participating
10 Class Members understand and agree that Plaintiff and Participating Class Members will be solely
11 responsible for correctly characterizing any compensation received under the Settlement on their
12 personal income tax returns and paying any and all taxes due for any and all amounts paid to them
13 under the Settlement.

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

1 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
2 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
3 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
4 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
5 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
6 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
7 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
8 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
9 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
10 SETTLEMENT AGREEMENT.

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

15 33. Release of Claims by Participating Class Members. Upon the Effective Date and full
16 funding of the Gross Settlement Amount, Plaintiff and all Class Members who do not submit a valid
17 and timely Request for Exclusion (i.e., all Participating Class Members) will be deemed to have
18 fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released
19 Parties as to and from all Released Claims he, she, or they may have or had. Upon the Effective
20 Date and full funding of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees shall
21 also be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and
22 discharged the Released Parties as to and from the Released PAGA Claims.

23 34. General Release of Claims by Plaintiff. In addition, upon the Effective Date and full
24 funding of the Gross Settlement Amount, Plaintiff for himself only will be deemed to have fully
25 released and discharged the Released Parties as to and from all claims arising out of or in any way
26 related to his employment with AIS, the termination of his employment from AIS, and any acts that
27 have or could have been asserted in any legal action or proceeding against AIS, whether known or
28 unknown, arising under any federal, state, or local law, statute, regulation, or ordinance, including,

without limitation, any and all claims arising under the California Labor Code, the Fair Labor Standards Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the National Labor Relations Act, California Corporations Code, California Business and Professions Code, the Wage Orders of the Industrial Welfare Commission, the California Government Code (including, without limitation, the California Fair Employment and Housing Act), the California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney's fees, and costs, arising on or before the date on which the Settlement Agreement is executed. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under section 1542 of the California Civil Code, which provides:

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.

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all claims he now has against the Released Parties, whether known or unknown, suspected, or unsuspected. The Enhancement Payment will be paid to Plaintiff specifically in exchange for the general release of the Released Parties from all claims, including those specified in this paragraph and a covenant not to sue the Released Parties. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

35. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for Plaintiff's Motion for Preliminary Approval of the Settlement, which Plaintiff and Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in

support of said Motion. AIS shall have the right to review and comment upon Plaintiff's Motion for Preliminary Approval and any motion for Final Approval of the Settlement. Plaintiff shall file his Motion for Preliminary Approval of the Settlement within twenty-five (25) days of execution of this Settlement Agreement. Class Counsel will provide Defendant's Counsel a draft of the Preliminary Approval Motion at least five (5) business days before the filing deadline for Plaintiff's Motion for Preliminary Approval. AIS agrees not to oppose the Motion for Preliminary Approval of the Settlement, consistent with this Settlement Agreement. Said Motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as representative of the Class;
- d. Preliminarily appointing Plaintiff's Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually agreed-upon and proposed Notice of Settlement and directing its mailing to the Class by First Class Mail;
- f. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice of Settlement; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate as to the Participating Class Members.

36. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement.

After the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for (a) Individual Settlement Payments; (b) LWDA Payment; (c) Attorneys' Fees and Attorneys' Costs; (d) Enhancement Payment; and (e) Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement. Class Counsel will provide Defendant's Counsel

1 a draft of the Final Approval Motion before the filing deadline. By way of said Motion, Plaintiff
2 will apply for the entry of the mutually agreed-upon proposed order and judgment (“Final Approval
3 Order and Judgment”), which will provide for, in substantial part, the following:

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

6 b. Certification of the Settlement Class;

7 c. Approval of the application for Attorneys’ Fees and Attorneys’ Costs to
8 Class Counsel;

9 d. Approval of the application for Enhancement Payment to Plaintiff;

10 e. Approving the Parties’ settlement of the Eighth Cause of Action in the
11 Operative Complaint and the PAGA Amount;

12 f. Directing AIS to fund all amounts due under the Settlement Agreement and
13 ordered by the Court; and

14 g. Entering judgment in the Actions barring and enjoining all Participating
15 Class Members from prosecuting the Released Claims against any of the Released Parties, while
16 maintaining continuing jurisdiction, in conformity with Rule 3.769 of the California Rules of Court
17 and the Settlement Agreement.

18 37. Termination or Revocation of Settlement.

19 a. If ten percent (10%) or more of the Class Members submit timely and valid
20 Requests for Exclusion, AIS may elect to rescind the Settlement Agreement. AIS must exercise this
21 right of rescission in writing that is provided to Class Counsel within five (5) business days of the
22 Response Deadline. If AIS exercises this option, AIS shall pay any costs of settlement
23 administration owed to the Settlement Administrator incurred up to that date.

24 b. If the Court finds the Gross Settlement Amount to be insufficient to warrant
25 Preliminary Approval or Final Approval of the Settlement, AIS may, at its election, rescind the
26 Settlement Agreement, and all actions taken in furtherance of it will thereby be null and void.
27
28

1 38. Effects of Termination of the Settlement. Termination of the Settlement Agreement
2 shall have the following effects:

3 a. The Settlement Agreement shall be void and shall have no force or effect,
4 and no Party shall be bound by any of its terms;

5 b. AIS shall have no obligation to make any payments to any Party, Class
6 Member, or attorney, except that the terminating Party shall pay the Settlement Administrator for
7 services rendered up to the date the Settlement Administrator is notified that the Settlement has
8 been terminated;

9 c. The Preliminary Approval Order, including any other order certifying the
10 Class, shall be vacated;

11 d. The Settlement Agreement and all negotiations, statements, and proceedings
12 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
13 restored to their respective positions in the Actions prior to the execution of the Settlement
14 Agreement;

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

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

22 39. Escalator Clause. AIS represents that, for the period of February 6, 2019 to
23 September 22, 2023, there were approximately 55,565 Workweeks. If it is determined that the total
24 number of Workweeks exceeds 55,565 by more than five percent (5%) (i.e., if it is greater than
25 58,343 Workweeks) during the period between February 6, 2019 and September 22, 2023, then (a)
26 the Gross Settlement Amount will be increased on a proportional basis by the same number of
27 percentage points above 55,565 (i.e., if there is an 6% increase in the number of workweeks during
28 the Class Period, AIS would increase the Gross Settlement Amount by 1%); or (b) AIS may elect to

1 end the Class Period on an earlier date at AIS's discretion in order to limit the covered workweeks
2 to no more than 5% above 55,565 in lieu of paying a proportional increase to the Gross Settlement
3 Amount.

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

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

14 42. Entire Agreement. This Settlement Agreement and any attached exhibits constitute
15 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
16 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
17 Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written
18 agreement is to be construed according to its terms and may not be varied or contradicted by
19 extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or
20 terms will modify, vary, or contradict the terms of this Settlement Agreement.

21 43. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings
22 in the Combined Action (including with respect to California Code of Civil Procedure section
23 583.310), except such proceedings necessary to implement and complete the Settlement Agreement,
24 pending the Final Approval Hearing to be conducted by the Court.

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

1 45. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
2 and represent they are expressly authorized by the Parties whom they represent to negotiate this
3 Settlement Agreement and to take all appropriate actions required or permitted to be taken by such
4 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
5 documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that
6 they understand and have full authority to enter into this Settlement Agreement, and further intend
7 that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it
8 will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding
9 any mediation confidentiality provisions that otherwise might apply under state or federal law.

10 46. Binding on Successors and Assigns. This Settlement Agreement will be binding
11 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
12 defined.

13 47. California Law Governs. All terms of this Settlement Agreement and attached
14 exhibits hereto will be governed by and interpreted according to the laws of the State of California,
15 without regard to choice-of-law principles.

16 48. Execution and Counterparts. This Settlement Agreement may be executed in one or
17 more counterparts. All executed counterparts and each of them, including facsimile, electronic, and
18 scanned copies of the signature page, will be deemed to be one and the same instrument.

19 49. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe
20 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Combined Action
21 and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial
22 litigation, taking into account all relevant factors, present and potential. The Parties further
23 acknowledge that they are each represented by competent counsel and that they have had an
24 opportunity to consult with their counsel regarding the fairness and reasonableness of this
25 Settlement Agreement.

26 50. Invalidity of Any Provision. Before declaring any provision of this Settlement
27 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
28

possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

51. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein and cannot submit a Request for Exclusion therefrom.

52. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, AIS does not admit, and specifically denies, that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees (current and former). Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by AIS of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of AIS or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local, or other applicable law.

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

54. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-

length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

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

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

To Plaintiff and Class Counsel:

James R. Hawkins, Esq.
Gregory Mauro, Esq.
Michael Calvo, Esq.
Ava Issary, Esq.
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, California 92618

To AIS:

Kate S. Gold, Esq.
Philippe A. Lebel, Esq.
Dixie M. Morrison, Esq.
PROSKAUER ROSE LLP
2029 Century Park East, Suite 2400
Los Angeles, California 90067

57. Final Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Judgment on its website within three (3) business days of receipt. No individualized notice to the Class will be required.

58. No Publicity. Class Counsel shall do nothing to publicize this settlement or use it for marketing purposes, including on websites, on the Internet, or in any form of press whatsoever. Neither Plaintiff nor Class Counsel shall issue any press release or announcement of any kind related in any way to the settlement that identifies the Parties or would reasonably lead to their identification, and the Settlement shall not be advertised or mentioned in such a manner on any website owned directly or indirectly by Class Counsel, including Class Counsel's personal or firm website. Notwithstanding the foregoing, nothing herein prohibits Class Counsel or Defendant's Counsel from doing anything to encourage Class Members to participate in the Settlement. Further, nothing in this Settlement Agreement shall restrict Class Counsel from disclosing and including all publicly available information regarding this case and the Settlement in any documents filed with

1 any court and/or judicial submissions (e.g., CVs, declarations regarding adequacy or experience,
2 etc.).

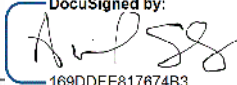
3 59. Cooperation and Execution of Necessary Documents. All Parties and their counsel
4 will cooperate with each other in good faith and use their best efforts to implement the settlement,
5 including and not limited to, executing all documents to the extent reasonably necessary to
6 effectuate the terms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

1 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this
2 Stipulation of Class Action and PAGA Settlement between Plaintiff Anival Salazar and Defendant
3 American Integrated Services, Inc.:

4
5 **IT IS SO AGREED.**

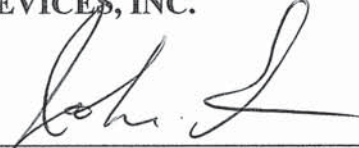
6 **PLAINTIFF ANIVAL SALAZAR**

7 Dated: 10/5/2023, 2023

DocuSigned by:

169DDEE817674B3...
Anival Salazar, Plaintiff

9 **DEFENDANT AMERICAN INTEGRATED**
10 **SREVICES, INC.**

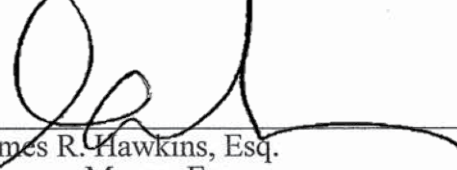
11 Dated: October 3, 2023


John Georgagi, Exec. Vice President
On behalf of American Integrated Services, Inc.

13 **APPROVED AS TO FORM**

14 **JAMES HAWKINS, APLC**

15 Dated: October 5, 2023


James R. Hawkins, Esq.
Gregory Mauro, Esq.
Michael Calvo, Esq.
Ava Issary, Esq.
Attorneys for Plaintiff Anival Salazar and Proposed
Class Counsel

21 **PROSKAUER ROSE LLP**

22 Dated: October 4, 2023


Kate S. Gold
Philippe A. Lebel
Dixie M. Morrison
Attorneys for Defendant American Integrated
Services, Inc.

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you have been a non-exempt employee of American Integrated Services, Inc, you may be entitled to receive money from a class action settlement.

*The Superior Court of the State of California for Los Angeles County authorized this notice.
This is not a solicitation from a lawyer.*

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class and representative wage and hour lawsuit filed on behalf of all current and former non-exempt (i.e., overtime-eligible) employees of Defendant American Integrated Services, Inc. (“Defendant” or “AIS”) who worked for AIS in California between February 6, 2019 and September 22, 2023. The lawsuit is entitled *Salazar v. American Integrated Services, Inc.*, Los Angeles Superior Court Case No. Case No. 22STCV05538. The proposed settlement will resolve all Released Claims (defined below) against AIS.

On [date of Preliminary Approval], the Court granted preliminary approval of the parties’ settlement and scheduled a hearing on [hearing date] at [hearing time] (the “Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement.

This Notice is designed to advise you of your rights and options relating to the settlement, and how you can request to be excluded from the settlement or object to the settlement, if you so choose.

Your Legal Rights and Options in this Settlement	
DO NOTHING	Receive an Individual Settlement Payment. If you received this Notice and do not exclude yourself from the settlement (pursuant to the procedures set forth in Section 9 below), you will receive an Individual Settlement Payment automatically without the need to return a claim form, after final judicial approval of the settlement, and will release and lose the right to assert all Released Claims against AIS and the other Released Parties (see Section 8 below).
MAIL-IN A WRITTEN REQUEST FOR EXCLUSION	Exclude Yourself from the Settlement; Do Not Receive Any Payment. If you do not want to participate as a class member, you may “opt-out” of the settlement by submitting a signed written Request for Exclusion (pursuant to the procedures in Section 9 below) to the settlement administrator that is postmarked no later than insert deadline . Requests for Exclusion that do not include all required information, or that are not submitted by the deadline, will be disregarded. If you submit a valid and timely Request for Exclusion and the Court grants final approval of the settlement, you will not receive any payment from the settlement, but you will only give up your right to sue the Released Parties for the Released PAGA Claims (as defined below).
OBJECT TO THE SETTLEMENT	Object to the Settlement; Receive an Individual Settlement Payment. If you participate in the settlement, you may also object to the settlement if you wish. To object, you can submit a written Notice of Objection (along with any supporting documentation or authority) by mail to the settlement administrator no later than insert (as described in Section 9 below), or appear

FOR MORE INFORMATION CALL 1-800- [redacted]

Your Legal Rights and Options in this Settlement

at the Final Approval Hearing and state any objections to the proposed settlement. The Court does not require written objections for an objector to appear at the Final Approval Hearing to raise an objection. Whether you submit a written Notice of Objection or appear at the Final Approval Hearing, if the Court overrules your objection, you will be part of the settlement and will receive an Individual Settlement Payment, and you will release and lose the right to assert all Released Claims against AIS and the other Released Parties (see Section 8 below). You cannot object to the settlement if you submit a Request for Exclusion, however.

1. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

All members of the “Class” are eligible to receive a settlement payment. The Class is comprised of all individuals who are or were employed by AIS in California as non-exempt employees at any time(s) between February 6, 2019 and September 22, 2023 (the “Class Period”). Individual members of the Class are referred to as “Class Members.”

Some members of the Class are also considered “Aggrieved Employees” – these are any individuals who were employed by AIS in California as non-exempt employees at any time(s) between April 22, 2021 through September 22, 2023 (the “PAGA Period”).

3. DESCRIPTION OF THE LAWSUIT

Anival Salazar (“Salazar” or “Plaintiff”) formerly worked for AIS in California as a non-exempt/hourly-paid employee. After the end of his employment with AIS, Salazar initiated a class action lawsuit against AIS in the Los Angeles County Superior Court. The case is called *Salazar v. American Integrated Services, Inc.*, Case No. 22STCV05538 (the “Action”).

In the Action, Plaintiff alleges that he and other non-exempt employees of AIS in California were not paid for all of their work, were not paid all overtime amounts due to them at the correct overtime rate, were not provided with compliant meal and rest breaks (or compensation in lieu thereof), were not provided compliant wage statements, were not paid all amounts due at separation or during employment, and were not reimbursed for all necessary business expenses. Based on these facts and others, Plaintiff’s operative Second Amended Complaint (the “Operative Complaint”) alleges causes of action against AIS for: failure to pay minimum wages, failure to pay overtime compensation, failure to authorize and provide meal periods or premium pay in lieu thereof, failure to authorize and permit rest breaks of premium pay in lieu thereof, failure to indemnify necessary business expenses, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, unfair business practices, and recovery of civil penalties under the Labor Code Private Attorneys General Act (“PAGA”).

Throughout the litigation, AIS has denied and continues to deny all of Plaintiff’s allegations and denies any wrongdoing as to Plaintiff and the members of the Class and Aggrieved Employees he sought to represent. AIS maintains that it correctly paid employees for all regular and overtime worked, provided compliant meal and rest breaks in accordance with California law, and otherwise complied with all applicable California wage and hour employment laws. Although AIS continues to deny that it violated any laws, it has agreed to a settlement to resolve this Action without incurring further disruption or expenses from continued litigation.

The Court never made any ruling regarding the merits of the claims asserted by Plaintiff on behalf of himself and others in the Action, nor did it rule on AIS’s asserted defenses. Based on the settlement agreement entered into by and between AIS and Plaintiff, the Court has preliminarily approved the proposed settlement.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing Plaintiff, the Class, and the Aggrieved Employees (“Class Counsel”) are:

FOR MORE INFORMATION CALL 1-800- .

James R. Hawkins, Esq.
Gregory Mauro, Esq.
Michael Calvo, Esq.
Ava Issary, Esq.
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, CA 92618
Telephone: (949) 387-7200
Facsimile: (949) 387-6676

Attorneys representing AIS are:

Kate S. Gold
Philippe A. Lebel
Dixie M. Morrison
Proskauer Rose LLP
2029 Century Park East, Suite 2400
Los Angeles, CA 90067-3210
Telephone: (310) 284-5623
Facsimile: (310) 557-2193

5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the material terms of the proposed settlement to resolve the Action negotiated by and between Plaintiff and Class Counsel on the one hand and AIS on the other hand. The specific and complete terms of the proposed settlement are stated in the Stipulation of Class Action Settlement (the “Settlement Agreement”), a copy of which is filed with the Court. You can also obtain a copy of the Settlement Agreement from Class Counsel (see contact information above).

As part of the settlement, AIS has agreed to pay the total gross amount of Nine Hundred Sixty-Five Thousand Dollars and No Cents (\$965,000.00) to settle any and all obligations for the claims alleged in the Action and in exchange for the releases set forth in the Settlement Agreement. This amount is called the “Gross Settlement Amount.” As discussed below, the Gross Settlement Amount will be used to cover all payments to the Class, settlement administration costs, attorneys’ fees and costs, service and release award to the Plaintiff, and funds owed to the State of California and Aggrieved Employees in settlement of penalties under the PAGA. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the “Net Settlement Amount”) will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below; these individuals are called “Participating Class Members.”

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed Three Hundred Twenty-One Thousand Six-Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$321,666.67) (i.e., roughly 1/3 of the Gross Settlement Amount) to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed Twenty-Five Thousand Dollars (\$25,000.00). Subject to Court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount. Any portion of the above amounts requested by Class Counsel that are not approved by the Court will become part of the Net Settlement Amount and will be paid to Participating Class Members.

(b) Enhancement Payment: The Plaintiff is requesting a service and release award (the “Enhancement Payment”) in the total gross amount of Ten Thousand Dollars (\$10,000.00), in addition to the amount Plaintiff will receive as a member of the Class, to compensate him for undergoing the burden and expense of prosecuting the action, and for the broader release of claims he is providing to AIS. Subject to Court approval, the Enhancement Payment will be deducted from the Gross Settlement Amount. Any portion of the requested Enhancement Payment amount that is not approved by the Court will become part of the Net Settlement Amount and will be paid to Participating Class Members.

(c) Settlement Administration Costs: The court has approved Apex Class Action LLC (the “Settlement Administrator”) to administer this Notice and make the payments provided under the settlement. The Settlement Administrator has advised the parties that the settlement administration costs will not exceed Twelve Thousand Dollars

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(\$12,000.00) (the “Settlement Administration Costs”). Subject to Court approval, the Settlement Administration Costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of One Hundred Thousand Dollars (\$100,000.00) from the Gross Settlement Amount has been allocated to settle allegations that AIS owes civil penalties to the State for alleged violations of the California Labor Code pursuant to Plaintiff’s PAGA cause of action (the “PAGA Amount”). Of this amount, Seventy-Five Thousand Dollars (\$75,000.00) (75%) will be paid from the Gross Settlement Amount to the California Labor & Workforce Development Agency (“LWDA”). The remaining 25% of the PAGA Amount, which is Twenty-Five Thousand Dollars (\$25,000.00) (the “Aggrieved Employee Share”), will distributed to Aggrieved Employees, as discussed below.

(e) Payments to Participating Class Members: The Net Settlement Amount will be distributed to Class Members who do not timely submit a valid Request for Exclusion (i.e., to Participating Class Members). The amount of each Participating Class Member’s share of the Net Settlement Amount (the “Individual Settlement Payment”) will be calculated by dividing the total number of qualifying workweeks worked by the Class Member between February 6, 2019 and September 22, 2023 by the total number of qualifying workweeks worked by all Participating Class Members between February 6, 2019 and September 22, 2023 and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is the number of calendar days worked for AIS in an hourly, non-exempt position in California between February 6, 2019 and September 22, 2023, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest hundredth of a workweek. Each Class Member will be credited with at least one (1) workweek.

(f) Payments to Aggrieved Employees: The Aggrieved Employee Share will be distributed to Class Members who meet the definition of an Aggrieved Employee above, regardless of whether they timely submit a Request for Exclusion. The amount of each Aggrieved Employee’s share of the Aggrieved Employee Share (the “Individual PAGA Share”) will be calculated by dividing the total number of qualifying workweeks worked by the Aggrieved Employee between April 22, 2021 and September 22, 2023 by the total number of qualifying workweeks worked by all Aggrieved Employees between April 22, 2021 and September 22, 2023 and multiplying that fraction by the total Aggrieved Employee Share. A qualifying workweek is the number of calendar days worked for AIS in an hourly, non-exempt position between April 22, 2021 and September 22, 2023, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest hundredth of a workweek.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to AIS’s records, you worked a total of [REDACTED] qualifying workweeks between February 6, 2019 and September 22, 2023. Under the settlement, it is presently estimated that you will receive approximately \$[REDACTED]; this amount includes both your estimated individual Settlement Payment and your Individual PAGA Share. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys’ fees and costs, settlement administration costs, the Enhancement Payment to Plaintiff, the PAGA Amount, and disputes by other Class Members regarding their qualifying workweeks. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE AND TAX ALLOCATION

The Settlement Administrator will send out settlement checks to Participating Class Members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash or deposit it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller’s Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

For tax purposes, fifty percent (50%) of any Individual Settlement Payment to a Class Member shall be attributed to wages and reported on a W-2 form; the remaining fifty percent (50%) will be attributed to interest, penalties, and liquidated damages. Each Aggrieved Employee’s Individual PAGA Share shall be allocated one hundred percent (100%). The amount of interest, penalties, and liquidated damages as well as the entirety of any Individual PAGA Shares will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

FOR MORE INFORMATION CALL 1-800-[REDACTED].

The Settlement Administrator, in its discretion, may combine the Individual Settlement Payment and Individual PAGA Share paid to any Participating Class Member in one check.

It is expressly understood and agreed that the receipt of settlement payments shall not entitle any Class Member to additional compensation or benefits under any agreement or under any bonus, contest, or other compensation or benefit plan or agreement in place during the period covered by the settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or other deferred compensation benefits.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below) by [RESPONSE DEADLINE], you will release AIS and all its parent, subsidiary, affiliated, and/or related companies and entities, past and present, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, accountants, and attorneys, and each of them, past or present (collectively, the “Released Parties”), from all claims pled or that could have been pled in the Operative Complaint deriving from and/or based on the facts alleged, arising out of, or related to services to or work performed for AIS during the Class Period upon final approval of the settlement, including claims for wages, penalties, interest, attorneys’ fees, and/or costs, including all claims, causes of action, and/or requests for relief pursuant to California Labor Code sections 200, 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*; California Business & Professions Code sections 17200 *et seq.*; and the applicable Wage Orders of the Industrial Welfare Commission. The claims and liability covered by this release are referred as the “Released Claims.”

If you timely submit a valid Request for Exclusion (described below) by [RESPONSE DEADLINE], you will not be a Participating Class Member and you will not release the Released Parties from all of the Released Claims. However, you will still be deemed to have released AIS and the other Released Parties from all claims pursuant to the PAGA pled or that could have been pled in the Operative Complaint deriving from and/or based on the facts alleged, arising out of, or related to services to or work performed for AIS during the PAGA Period (the “Released PAGA Claims”).

9. YOUR FOUR OPTIONS

As a Class Member, you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) Option One: You Can Do Nothing.

If you do nothing, you will be a Participating Class Member and will receive a settlement payment. As a Participating Class Member, you also will have released the Released Parties from the Released Claims, as described in Section 8 above.

(b) Option Two: You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of qualifying workweeks that you worked identified in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of why you believe you were not credited with the correct number of qualifying workweeks. The statement must also include your full name and current address and telephone number and must identify this case (Case No. 22STCV05538). You must provide written documentation supporting the number of qualifying workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than [45 days from mailing]. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. Ultimately, it will be up to the Settlement Administrator to determine the number of qualifying workweeks to credit you for; once it has made that determination, the Settlement Administrator will mail you its final determination. Thereafter, you will be a Participating Class Member and will receive a settlement payment. As a Participating Class Member, you also will have released the Released Parties from the Released Claims, as described in Section 8 above.

(c) Option Three: You Can Exclude Yourself from the Class.

If you do not want to participate in this settlement and become a Participating Class Member, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section

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12 below. The deadline to postmark a Request for Exclusion is **[45 days from mailing]** (the “Response Deadline”). The Request for Exclusion must: (a) contain the case name (*Salazar v. American Integrated Services, Inc.*) and number (Case No. 22STCV05538); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security number (for verification purposes); (d) clearly state that you do not wish to be included in the Settlement; and (e) be returned by mail to the Settlement Administrator at the specified address in Section 12 below, postmarked on or before the Response Deadline. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or have released the Released Parties for the Released Claims and you will not receive an Individual Settlement Payment from the Net Settlement Amount. However, even if you timely submit a valid Request for Exclusion, you will be deemed to have released the Released Parties for the Released PAGA Claims, and you will receive a check for your Individual PAGA Share. You will also be barred from objecting to this settlement.

(d) Option Four: You Can Object to the Settlement.

If you do not submit a timely and valid Request for Exclusion, you may object to the settlement by sending your written objection(s) to the Settlement Administrator at the address specified in Section 12 below. The deadline to postmark objections is **[45 days from mailing]**. Only Participating Class Members (i.e., Class Members who have not opted out) may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (Case No. 22STCV05538).

If you object to the settlement and the Court grants final approval to the settlement notwithstanding your objection(s), you will be bound by the terms of the settlement and be deemed to have released the Released Parties from all of the Released Claims. You will, however, receive a settlement payment from the Net Settlement Amount.

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the Enhancement Payment to Plaintiff, Class Counsel’s request for attorneys’ fees and costs, and other issues is presently scheduled for **[redacted]**, 20**[redacted]** at **[redacted]** m., in Department 17 of the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued to another date without further written notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time or consult the court’s website (<https://www.lacourt.org/>).

11. NON-RETALIATION

AIS will not retaliate or take any adverse action against a Class Member for participating in the settlement, for objecting to the settlement, or for submitting a Request for Exclusion from the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the Action and the parties’ settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles, CA 90012. You may also review the Settlement Agreement by contacting the Settlement Administrator as follows:

[Apex]
Telephone: **[redacted]**
Facsimile: **[redacted]**
Email: **[redacted]**
Website: **[redacted]**

FOR MORE INFORMATION CALL 1-800-[redacted]**.**

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800- .