

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement" or "Settlement") is made by and between Plaintiff Ramon Muñiz Rodriguez ("Plaintiff"), acting in his individual capacity and in private attorney general capacity pursuant to PAGA, as defined below, and Defendant Wallcraft Drywall, Inc. ("Wallcraft" or "Defendant"). Plaintiff and Defendant are referred to herein collectively as the "Parties" or individually as "Party."

I. DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

1. "Action" means the matter titled *Muñiz Rodriguez v. Wallcraft Drywall, Inc.*, Los Angeles Superior Court, Case No. 23PSCV01455, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency submitted on March 1, 2023 and March 14, 2024 ("PAGA Letters").
2. "Aggrieved Employees" consist of all current and former non-exempt employees who worked at least one pay period for Wallcraft in California at any time during the PAGA Period. The number of Aggrieved Employees, including Plaintiff, is estimated to be 3,516 individuals.
3. "Complaint" means the Complaint titled *Muñiz Rodriguez v. Wallcraft Drywall, Inc.*, Los Angeles Superior Court, Case No. 23PSCV01455, filed on May 12, 2023.
4. "Court" means the Superior Court of California for the County of Los Angeles.
5. "Defendant" or "Wallcraft" means named Defendant Wallcraft Drywall, Inc.
6. "Defense Counsel" means James A. Bowles, Richard S. Zuniga, and Elissa L. Gysi of Hill, Farrer & Burrill, LLP.
7. "Effective Date" means the latter of: (a) the Court's approval of the Settlement; or (b) the final resolution of any appeal that has been filed.
8. "Gross Settlement Amount" is the non-reversionary sum of Two Million Dollars and No Cents (\$2,000,000.00), which represents the total amount payable under this Agreement by Wallcraft, including, without limitation, Individual PAGA Payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's service payment, and payment to the Settlement Administrator for administration costs.
9. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.
10. "Judgment" means the judgment entered by the Court based upon the approval of the settlement.
11. "LWDA" means the California Labor and Workforce Development Agency.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts, if approved by the Court, are subtracted from the Gross Settlement Amount: (a) settlement administration costs, not to exceed \$15,000; (b) Plaintiff's service payment not to exceed \$10,000; (c) Plaintiff's attorneys' fees of 33.33% of the Gross Settlement Amount (not to exceed \$666,600.00); and (b) Plaintiff's costs not to exceed \$15,000.

13. "Operative Complaint" means the First Amended Complaint filed on June 5, 2024.

14. "PAGA" means the California Private Attorneys General Act, California Labor Code § 2698, *et seq.*

15. "PAGA Letters" mean Plaintiff's letter (dated February 27, 2023 but electronically submitted to LWDA on March 1, 2023) and amended letter (dated and submitted on March 14, 2024) to Wallcraft and the LWDA providing notices pursuant to Labor Code section 2699.3, subd.(a).

16. "PAGA Period" means the time period from March 1, 2022 through November 15, 2023 or the date the Court enters the order granting approval of the PAGA settlement, whichever is earlier.

17. "Parties" mean Plaintiff and Wallcraft, collectively.

18. "Plaintiff" means Ramon Muñiz Rodriguez, the named plaintiff in the Action.

19. "Plaintiff's Counsel" means Ronald H. Bae, Olivia D. Scharrer, and Carson M. Turner of AEQUITAS LEGAL GROUP.

20. "Released PAGA Claims" means all claims that arose during the PAGA Period for civil penalties under the PAGA alleged in the Operative Complaint and the PAGA Letters, being released by the Plaintiff, the State of California, the LWDA, and Aggrieved Employees, based on the factual allegations pled in the Operative Complaint, with respect to the following claims: (1) failure to pay regular and overtime wages under Labor Code §§ 510, 1194, and 1198; (2) failure to provide meal breaks or pay premium compensation in lieu thereof under Labor Code §§ 226.7 and 512(a); (3) failure to provide rest breaks or pay premium compensation in lieu thereof under Labor Code § 226.7; (4) failure to pay wages timely upon termination and failure to pay waiting time penalties under Labor Code §§ 201-203; (5) failure to pay wages timely during employment under Labor Code § 204; (6) failure to provide accurate wage statements under Labor Code § 226; and (7) unfair competition under Business & Professions Code § 17200, *et seq.*

21. "Released Parties" means: Wallcraft and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

22. "Settlement Administrator" means Phoenix Settlement Administrator, the neutral entity the Parties have agreed to appoint to administer the Settlement.

II. RECITALS

1. On March 1, 2023, Plaintiff provided written notice to the LWDA and Wallcraft asserting claims for civil penalties under the PAGA by sending the PAGA Letter. On March 14, 2024, Plaintiff submitted an amended written notice to the LWDA that includes a meal period claim.
2. On May 12, 2023, Plaintiff filed the Complaint titled *Muñiz Rodriguez v. Wallcraft Drywall, Inc.*, Los Angeles Superior Court, Case No. 23PSCV01455, asserting claims for civil penalties under the PAGA based on Wallcraft's alleged failure to pay regular and overtime wages, failure to provide to provide compliant rest periods or pay premium compensation in lieu thereof, failure to pay wages timely upon termination, failure to pay wages timely during employment, failure to provide accurate itemized wage statements, and for violation of California Business and Professions Code §§ 17200. Wallcraft denies the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint and denies any and all liability for the causes of action alleged. On June 5, 2024, Plaintiff filed the First Amended Complaint adding a meal period violation and claim for PAGA penalties thereon.
3. Wallcraft provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and analyze the claims prior to mediation.
4. On October 2, 2023 the Parties participated in mediation with Mediator Michael D. Young, Esq. With the assistance of Mr. Young, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.
5. The Parties, Plaintiff's Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Gross Settlement Amount.** The Parties agree to settle the Action for the non-reversionary Gross Settlement Amount ("GSA") of \$2,000,000.00 (subject to the Escalator Clause below). Wallcraft shall deposit the GSA with the Settlement Administrator within fourteen (14) days of the Effective Date.
2. **Escalator Clause.** Wallcraft represents that there are approximately 114,340 pay periods worked by Aggrieved Employees in California ("Affected Pay Periods") during the PAGA Period. If the actual number of Affected Pay Periods during the PAGA Period is more than 10% greater than this number (i.e., if there are more than 125,774 Affected Pay Periods during the PAGA Period), Wallcraft shall increase the Gross Settlement Amount in proportion to the increase in Affected Pay Periods over 10% (e.g., if the number of Affected Pay Periods in the PAGA Period is 12% greater than 114,340, Wallcraft will increase the GSA by 2%).

3. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the GSA, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Administration Costs.** Wallcraft will not oppose a request for the Settlement Administrator's costs, in an amount not to exceed \$15,000, for administering the settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Wallcraft, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

b. **Plaintiff's Service Payment.** Wallcraft will not oppose Plaintiff's request for an "Service Payment" in an amount not to exceed \$10,000 for serving as the representative plaintiff in this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. Wallcraft, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. **Plaintiff's Attorneys' Fees and Costs.** Wallcraft will not oppose Plaintiff's request for attorneys' fees in the amount not to exceed 33.33% of the Gross Settlement Amount (\$666,600.00) and costs not to exceed \$15,000 incurred in prosecuting the Action. In the event the Court approves payments of less than these amounts, the difference will be added to the Net Settlement Amount. Wallcraft, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel. Except as specifically provided herein, Wallcraft shall not be liable for costs or attorneys' fees regarding the PAGA released claims.

4. **Allocation of Net Settlement Amount.** One hundred percent (100%) of the Net Settlement Amount shall be designated as "civil penalties" and shall be distributed 75% to the LWDA and 25% to Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% portion to be paid to Aggrieved Employees shall be paid to each Aggrieved Employee pro rata on the proportional number of pay periods worked during the PAGA Period.

5. **Released PAGA Claims.** Plaintiff agrees that upon the Effective Date and the payment by Wallcraft of the Gross Settlement Amount to the Settlement Administrator, Plaintiff, the State of California, the LWDA, and Aggrieved Employees will fully and finally release the Released Parties from all claims for civil penalties under the PAGA penalties during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Letters. for: (1) failure to pay regular and overtime wages under Labor Code §§ 510, 1194, and 1198; (2) failure to provide meal breaks or pay premium compensation in lieu thereof under Labor Code §§ 226.7 and 512(a); (3) failure to provide rest breaks or pay premium compensation in lieu thereof under Labor Code § 226.7; (4) failure to pay wages timely upon termination and failure to pay waiting time penalties under Labor Code §§ 201-203; (5) failure to pay wages timely during employment under Labor Code § 204; (6) failure to provide accurate wage statements under Labor Code § 226; and (7) unfair competition under Business & Professions Code § 17200, et seq. and (8) individual/representative PAGA penalties for these alleged Labor Code violations. Upon entry of the Order approving the settlement and judgment entered thereon, Plaintiff, the State of California, and all Aggrieved Employees will be forever barred from pursuing any and all of the Released PAGA Claims that arose during the PAGA Period against the Released Parties. This release of claims expressly excludes any non-PAGA claims held individually by Aggrieved Employees other than Plaintiff.

6. **Plaintiff's Full Release of Claims.** In consideration of the Service Payment to Plaintiff under the Settlement, and upon the Effective Date and payment of all funds due under this Settlement, Plaintiff shall be deemed to release the Released Parties from any and all Released PAGA Claims and any other claims that he may have against the Released Parties, including and not limited to, all complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred, other than as otherwise provided herein) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claim for damages related to Plaintiff's employment with Wallcraft, the separation of his employment, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort including defamation, any claim of wrongful termination, retaliation, or wage and hour violations, or any legal restrictions of Wallcraft's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance, including any claims by Plaintiff against Released Parties currently pending in court or arbitration (if any) (collectively, "Plaintiff's Released Claims"). As a material inducement for Wallcraft to enter into this Settlement, Plaintiff waives any and all rights and benefits conferred by the provisions of section 1542 of the California Civil Code and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

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 acknowledges that this Agreement is meant to include, to the fullest extent, all PAGA Released Claims and other claims which Plaintiff does not know or suspect to exist in his favor against the Released Parties.

7. **Covenants and Representations by Plaintiff.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Agreement.

b. Plaintiff acknowledges that he has read this Agreement, that he fully understands his rights, privileges and duties under the Agreement, and enters into this Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Agreement and the consequences of signing this Agreement.

8. **Confidentiality.** To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

To permit judicial review and approval of the PAGA Payment, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Lab. Code § 2699(l)(2).

9. **Dismissal of Any Other Pending Claims by Plaintiff.** Within fourteen (14) calendar days of Court approval of this settlement, Plaintiff and/or Plaintiff's Counsel shall dismiss with prejudice the claims filed by Plaintiff against Defendant in arbitration (if any).

10. **Filing of Motion for Approval of PAGA Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Motion for Approval of the PAGA Settlement or a Joint Stipulation of Settlement (if permitted by the Court) and providing Defense Counsel with an opportunity to propose revisions to the Motion/Stipulation prior to filing.

11. **Termination of Settlement Agreement.** If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Agreement, in which case the Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Agreement. However, if the Court declines to approve the Agreement as drafted, the Parties agree to attempt in good faith to amend the Agreement to resolve the Court's concerns with the Agreement, before either Party terminates the Agreement.

12. **Judgment.** As part of the Motion to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against Wallcraft. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff, the State of California, and Aggrieved Employees.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to use Phoenix Settlement Administrator to handle the administration of this settlement.

2. **Provision of Information for Aggrieved Employees.** Within ten (10) calendar days after the Effective Date, Wallcraft shall provide the Settlement Administrator with information for Aggrieved Employees. Wallcraft will in good faith compile from its records a list of Aggrieved Employees and shall include each Aggrieved Employee's full name, last known mailing address, total Affected Pay Periods worked during the PAGA Period, and Social Security numbers to the extent available from Wallcraft's records. The Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the settlement.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses. Within fourteen (14) calendar days after the Gross Settlement Amount has been paid by Wallcraft, and after receiving approval from counsel of the payment calculations as provided above, the Settlement Administrator shall mail copies of an explanatory letter in the form attached as "Exhibit A," in English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First-Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.4., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or her Individual PAGA Payment along with the explanatory letter, Exhibit A hereto. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099, with no withholdings taken.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee. It will be conclusively presumed that, if an envelope so mailed has not been returned within 30 days of the mailing, the Aggrieved Employee received the explanatory letter and Individual PAGA Payment.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address or Social Security number of the Aggrieved Employee involved and will perform up to a single re-mailing if a new address is located.

Funds represented by checks returned as undeliverable after a re-mailing, checks for whom the Settlement Administrator could not locate an updated address after performing a skip trace, and funds represented by checks remaining un-cashed for more than 180 days after issuance (collectively, "Uncashed Checks"), will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund, in the name of the Aggrieved Employee.

5. **Distribution of Payments.** Within fourteen (14) calendar days of the Settlement being fully funded, the Settlement Administrator shall issue payments to: (1) Aggrieved Employees; (2) the LWDA; (3) the Settlement Administrator for Court-approved administration costs incurred in connection with the Settlement; (4) Plaintiff for the Court-approved Service Payment; (5) Plaintiff's Counsel for Plaintiff's Counsel's Court-approved attorneys' fees and costs. All payments made by Wallcraft pursuant to this Settlement shall be held by the Settlement Administrator in an interest-bearing account until they are disbursed, with all accrued interest inuring to the benefit of the Aggrieved Employees in the form of pro rata increases to Aggrieved Employees' Individual PAGA Payments.

6. **Accounting.** Within 45 days after all payments have been made under the Settlement, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the settlement.

7. **Tax Consequences.** Neither Plaintiff nor Wallcraft, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Agreement.

8. **No Further Obligation.** The payment of Individual PAGA Payments shall not obligate Wallcraft to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

V. **MISCELLANEOUS PROVISIONS**

1. **No Admission of Liability.** Nothing in this Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit, or by Wallcraft of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Wallcraft specifically disclaims any such liability or wrongdoing. Wallcraft does not admit to liability or to the suitability of this case for representative litigation other than for purposes of settlement. The Parties have entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Agreement and any related court documents or orders are not, and may not be cited or admitted as, evidence of liability. If the Court does not grant approval of this settlement, then the Parties revert to their previous positions and Wallcraft will contend that a representative action is not appropriate.

2. **Drafting.** The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Party shall be considered the "drafter" of this Agreement for purposes of having terms construed against that Party.

3. **Successors.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

4. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

5. **Governing Law.** This Agreement shall be construed under and governed by the laws of the State of California. This Agreement shall be deemed to have been entered into in Los Angeles, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Agreement, it shall be brought in the State of California, County of Los Angeles.

6. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Agreement has been made to them and acknowledge and represent that this Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA

claim in the Action.

7. **Nullification of Settlement Agreement.** In the event that: (i) the Court does not approve the settlement as provided herein; or (ii) the settlement does not become final for any other reason, then this Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their respective positions before the Settlement was executed.

8. **Judgment and Continued Jurisdiction.** After approval of this settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

9. **Amendment or Modification.** This Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties.

10. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

12. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at this settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this settlement.

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

14. **Severability.** If any term or provision of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the

Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

15. **Waiver.** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

16. **Enforcement Action.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

17. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party 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 to the preparation of this Agreement.

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

19. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

20. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Agreement, accepts, and agrees to the provisions contained in this Agreement and hereby executes it voluntarily and with full understanding of its consequences.

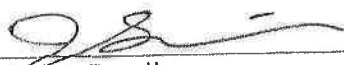
06/18/2024
Dated: June __, 2024

Ramón Muñiz Rodríguez

Ramon Muñiz Rodriguez, Plaintiff

WALLCRAFT DRYWALL, INC.

Dated: June 14, 2024


By: Joe Scardino

Its: Vice President

APPROVED AS TO FORM:

Dated: June 18, 2024

AEQUITAS LEGAL GROUP

By: 

Ronald H. Bae

Olivia D. Scharrer

Carson M. Turner

Attorneys for Plaintiff RAMON MUÑIZ

RODRIGUEZ

Dated: June 17, 2024

HILL, FARRER & BURRILL, LLP

By: 

James A. Bowles

Richard S. Zuniga

Elissa L. Gysi

Attorneys for Defendant WALLCRAFT

DRYWALL, INC.

EXHIBIT 1

[(Insert Name of Settlement Administrator) LETTERHEAD]

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From *Muñiz Rodriguez v. Wallcraft Drywall, Inc.*,
Los Angeles Superior Court, Case No. 23PSCV01455

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the court-approved settlement of the lawsuit entitled *Muñiz Rodriguez v. Wallcraft Drywall, Inc.*, Los Angeles Superior Court, Case No. 23PSCV01455 (the "Action"). The court approved the settlement on _____, _____.

Phoenix Settlement Administrators is the third-party administrator ("Administrator") who has been appointed by the court to administer the settlement.

The Action was filed against Wallcraft Drywall, Inc. ("Wallcraft") pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The plaintiff in the case claimed that Wallcraft owed penalties under PAGA for alleged failure to pay regular and overtime wages, failure to provide to provide compliant meal and rest periods or pay premium compensation in lieu thereof, failure to pay wages timely upon termination, failure to pay wages timely during employment, failure to provide accurate itemized wage statements, and for violation of California Business and Professions Code § 17200.

The claim was brought on behalf of the State of California and all current and former non-exempt employees who worked at least one pay period for Wallcraft in California at any time during the period from March 1, 2022 to November 15, 2023 (the "PAGA Period"). Those employees are referred herein as "aggrieved employees." You have been identified as one of the aggrieved employees on whose behalf the case was brought because you were employed as a non-exempt employee by Wallcraft during the PAGA Period.

Wallcraft denies that it did anything wrong or that it owes any penalties. The Parties agreed to resolve the case, and as part of that settlement, Wallcraft agreed to pay a certain amount of money categorized as PAGA penalties. Under the PAGA statute, the penalties are divided between the State and the aggrieved employees. The amount allocated to employees is being distributed on a *pro rata* basis, based on the respective number of pay periods the employee worked for Wallcraft during the PAGA Period. The enclosed check represents your portion of the penalties allocated to the employees.

The enclosed check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the

Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name.

While you were not a party to the Action, you and the State of California are bound by the Settlement entered in this matter and approved by the Court, including the release contained in the Settlement. The release includes all claims for PAGA civil penalties under California Labor Code §§ 2699, *et seq.* that were alleged, or reasonably could have been alleged, that arose during the PAGA Period, based on the facts and legal assertions stated in the Complaint and the PAGA Letters given by plaintiff to the Labor and Workforce Development Agency.

If you have questions, please contact the Administrator:

Name of Administrator
Street Address
City, State, Zip
Telephone Number:
Facsimile Number:
Email:
Website:

**DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK
QUESTIONS ABOUT THE SETTLEMENT.**

* * * * *



Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

Document name: 2024_0614 PAGA Sett Agmt_Proposed Final For Signatures
Document created: 06/18/2024 19:19:25
Document pages: 14
Document ID: 9ac9fd5dc8314280bee00384433a36fd4db98c6f
Document Sent: 06/18/2024 19:19:49 UTC
Document Status: Signed
06/18/2024 19:24:09UTC

Sender: rbae@aequitaslegalgroup.com
Signers: +1 [REDACTED]
CC:

Client	Event	By	Server Time	Client Time	IP Address
SignNow Web Application	Uploaded the Document	rbae@aequitaslegalgroup.com	06/18/2024 19:19:25 pm UTC		10.50.98.112
SignNow Web Application	Document Saved	rbae@aequitaslegalgroup.com	06/18/2024 19:19:27 pm UTC		10.50.98.112
SignNow Web Application	Viewed the Document	rbae@aequitaslegalgroup.com	06/18/2024 19:19:30 pm UTC	06/18/2024 19:19:30 pm UTC	108.89.26.195
SignNow Web Application	Invite Sent to: +15625808162	rbae@aequitaslegalgroup.com	06/18/2024 19:19:50 pm UTC	06/18/2024 19:19:49 pm UTC	108.89.26.195
SignNow Web Application	Viewed the Document	+ [REDACTED]	06/18/2024 19:20:33 pm UTC	06/18/2024 19:20:32 pm UTC	172.56.185.81
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