

Carlos Yanez, et al. vs. Taft Electric Company, et al.
Ventura County Superior Court Case No. 56-2022-00563328-CU-OE-VTA

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement” or “Settlement”) is made by and between plaintiff Carlos Yanez (“Plaintiff”) and defendant Taft Electric Company (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Yanez, et al. v. Taft Electric Company, et al.* initiated on or about March 8, 2022, and pending in the Superior Court of the State of California, County of Ventura bearing Case No. 56-2022-00563328-CU-OE-VTA.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Allegedly Aggrieved Employee” means all individuals who are or were employed as hourly, non-exempt employees by Defendant in the State of California and who were not subject to a collective bargaining agreement with an express PAGA waiver at any time during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Allegedly Aggrieved Employee identifying information in Defendant’s possession including the Allegedly Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Allegedly Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Allegedly Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Allegedly Aggrieved Employees.
- 1.7. “Court” means the Superior Court of California, County of Ventura.
- 1.8. “Defense Counsel” means Chandra A. Beaton, Esq. and Kathleen M. Fellows, Esq. of LightGabler.
- 1.9. “Effective Date” means: (i) sixty-one (61) days after approval of the Settlement and entry of a Judgment without any appeal, writ, or other appellate proceeding having been filed therefrom; or (ii) if any appeal, writ, or other appellate proceeding opposing approval of

the Settlement has been filed within sixty-one (61) days after entry of Judgment, the Effective Date shall be five (5) business days after any appeal, writ, or other appellate proceedings opposing the Settlement have been finally and conclusively dismissed and the Settlement has been upheld with no right to pursue further remedies or relief.

- 1.10. "Gross Settlement Amount" means three hundred fifty thousand dollars and no cents (\$350,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Payment, and the Administrator's Expenses Payment.
- 1.11. "Individual PAGA Payment" means an Allegedly Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Allegedly Aggrieved Employee worked during the PAGA Period.
- 1.12. "Judgment" means the judgment entered by the Court based upon the Approval Order.
- 1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties recovered by Allegedly Aggrieved Employees, under Labor Code section 2699, subd. (i).
- 1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Payment, and the Administration Expenses Payment. The remainder is to be paid to Allegedly Aggrieved Employees as Individual PAGA Payments.
- 1.16. "PAGA Counsel" means Mehrdad Bokhour, Esq. of Bokhour Law Group, P.C. and Joshua Falakassa, Esq. of Falakassa Law, PC, the attorneys representing the Plaintiff in the Action.
- 1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.
- 1.18. "PAGA Pay Period" means any Pay Period during which an Allegedly Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. "PAGA Period" means the period from March 7, 2021 through September 23, 2023.
- 1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*).
- 1.21. "PAGA Notice" means Plaintiff's March 7, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount after reductions for PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff's Payment, and the Administration Expenses Payment (approximately \$200,833.33) allocated 25% to the Allegedly Aggrieved Employees (approximately \$50,208.33) and the 75% to LWDA (approximately \$150,625.00) in settlement of PAGA claims.
- 1.23. "Pay Period" means any pay period during which an Allegedly Aggrieved Employee worked at least one day of the pay period and was not on vacation or leave of absence for the entire workweek.
- 1.24. "Plaintiff" means Carlos Yanez, the named plaintiff in the Action.
- 1.25. "Plaintiff's Payment" means \$10,000.00 to be paid to Plaintiff, broken down as \$7,500.00 in exchange for the full release of his individual claims upon execution of this Agreement, and a \$2,500.00 service fee for serving as the Plaintiff in this matter, subject to the approval of the Court.
- 1.26. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.27. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.28. "Released Parties" means: Defendant as well as any and all persons or entities acting by, through, under, or in concert with Defendant, including but not limited to, any of its past, present and future owners, insurers, divisions, operators, partners, predecessors, joint employers, staffing companies, parents, subsidiaries, affiliates, officers, directors, employees, independent contractors, partners, members, managers, shareholders, agents, attorneys, related entities, and any other successors, assigns, or legal representatives, and any individual or entity which could be liable for any of the Released PAGA Claims.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.30. "Defendant" means Taft Electric Company, the named defendant in the Action.

2. RECITALS.

- 2.1. On March 8, 2022, Plaintiff commenced this Action by filing a Class Action Complaint alleging wage and hour violations. On May 16 2022, all class allegations were dismissed by the Court without prejudice. On May 13, 2022, Plaintiff filed a First Amended Representative Action Complaint alleging a single cause of action against named defendant Taft Electric Company for civil penalties under the PAGA. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint."). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged. Nothing in this Agreement is intended or will be construed as an

admission by Defendant that the claims in the Action have merit or that Defendant bears any liability to Plaintiff or the Allegedly Aggrieved Employees on those claims or any other claims. Nevertheless, Defendant has taken into account the uncertainty and risks inherent in any litigation and has also concluded that further defense of the Action would be protracted and expensive. Defendant, therefore, has determined that it is desirable and beneficial that the Action be settled in a manner and upon the terms and conditions set forth in this Settlement Agreement.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On August 24, 2023, the Parties participated in an all-day mediation presided over by Marc J. Feder, Esq., a well-respected and experienced wage and hour mediator which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, a 15% sampling of time and payroll records for non-unionized employees, 10% sampling of time and payroll data for unionized employees who were not subject to a collective bargaining agreement with an express PAGA waiver, data, and policies, among other documents and information, to aid in the preparation of Plaintiff's evaluation of the claims and formulation of a damages model.
- 2.5. The Parties, PAGA 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 this Settlement.

3. **MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay three hundred fifty thousand dollars and no cents (\$350,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Allegedly Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% which is currently estimated to be \$116,666.67 and PAGA Counsel Litigation Expenses Payment of not more than \$15,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel

Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.2. To Plaintiff: From the Gross Settlement amount, Plaintiff will receive Plaintiff's Payment of \$7,500.00 in exchange for the release of his individual claims including a California Civil Code section 1542 Release for Plaintiff, for which the adequacy of consideration for the same is recognized here upon execution of this Agreement, and a \$2,500.00 service fee for serving as the Plaintiff in this matter, subject to the approval of the Court. The Plaintiff's Payment is in addition to whatever monetary settlement results from Plaintiff's Individual PAGA Payment as an Allegedly Aggrieved Employee, which shall be paid out of the Gross Settlement Amount. This will satisfy any and all claims Plaintiff has against Defendant, either as an individual or a representative claimant.
- 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$7,500.00 except for a showing of good cause and as approved by the Court. To the extent the expenses incurred by the Administrator in connection with this Settlement are less, or the Court approves an Administration Expenses Payment of less than \$7,500.00, the Administrator will allocate the remainder in the Net Settlement Amount.
- 3.2.4. To the LWDA and Allegedly Aggrieved Employees: PAGA Penalties in the amount of approximately \$200,833.33 to be paid from the Gross Settlement Amount, with 75% (approximately \$150,625.00) allocated to the LWDA PAGA Payment and 25% (approximately \$50,208.33) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by:

(a) dividing the amount of the Allegedly Aggrieved Employees' 25% share of PAGA Penalties (approximately \$50,208.33) to attribute 65% (approximately \$32,635.41) to unionized Allegedly Aggrieved Employees who are not subject to a collective bargaining agreement with an express PAGA waiver ("Individual Unionized PAGA Payment") and 35% (approximately \$17,572.92) to Allegedly Aggrieved Employees who are not unionized ("Individual Non-Unionized PAGA Payment");

(b) by dividing the Individual Unionized PAGA Payment by the total number of PAGA Pay Periods worked by all unionized Allegedly Aggrieved Employees

who are not subject to a collective bargaining agreement with an express PAGA waiver and multiplying the result by each of those respective unionized Allegedly Aggrieved Employee's PAGA Pay Periods;

(c) by dividing the Individual Non-Unionized PAGA Payment by the total number of PAGA Pay Periods worked by all non-unionized Allegedly Aggrieved Employees and multiplying the result by each of those respective non-unionized Allegedly Aggrieved Employee's PAGA Pay Periods.

All Allegedly Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Allegedly Aggrieved Employee Pay Periods. Based on a review of its records as of the date of mediation, Defendant estimated the Allegedly Aggrieved Employees worked a total of 33,401 PAGA Pay Periods.
- 4.2. Allegedly Aggrieved Employee Data. Within 15 days of the Court's approval of this Agreement, Defendant will deliver the Allegedly Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet or spreadsheets. To protect Allegedly Aggrieved Employees' privacy rights, the Administrator must maintain the Allegedly Aggrieved Employee Data in confidence, use the Allegedly Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Allegedly Aggrieved Employee Data to Administrator employees who need access to the Allegedly Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify the Administrator if Defendant discovers that the Allegedly Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Allegedly Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Allegedly Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Allegedly Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator 15 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Prior to the disbursement of any funds, the Administrator will provide a disbursement summary of the calculations for all of the payments described above for review and approval by PAGA Counsel and Defense Counsel. Following approval by PAGA Counsel and Defense Counsel, and within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the Plaintiff's Payment, the LWDA PAGA

Payment, the Administration Expenses Payment, and the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Allegedly Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct an Allegedly Aggrieved Employee Address Search for all Allegedly Aggrieved Employees whose checks are returned undelivered without USPS forwarding addresses. Within 7 days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Allegedly Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Allegedly Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Allegedly Aggrieved Employee whose original check was lost or misplaced, if requested by the Allegedly Aggrieved Employee prior to the void date.
 - 4.4.3. For any Allegedly Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Allegedly Aggrieved Employee.
 - 4.4.4. Within 14 days after transmitting the funds described in section 4.4.3 above to the California Controller's Unclaimed Property Fund in the name of the Allegedly Aggrieved Employee, the Administrator shall prepare a written Declaration confirming completion of the administration for filing with the Court. The Administrator shall provide a draft Declaration to PAGA Counsel and Defense Counsel for review and comment before the Declaration is finalized.
 - 4.4.5. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Allegedly Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:
- 5.1 **Plaintiff's Release.** Plaintiff and his respective former and present spouses, domestic partners, marital community, children, representatives, agents, attorneys (including

PAGA Counsel), heirs, administrators, predecessors, successors, estates, trusts, beneficiaries, devisees, legatees, executors, trustees, conservators, guardians, and assigns generally, release and discharge with prejudice Released Parties from all claims, transactions, or occurrences that occurred related in any way to Plaintiff's employment with Defendant, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the original Class Action Complaint, the Operative Complaint which includes the PAGA claims based on Defendant's alleged (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods and premium pay; (3) failure to authorize and permit rest periods and premium pay; (4) failure to reimburse necessary business expenses; (5) failure to timely pay wages and waiting time penalties; (6) failure to maintain accurate records; and (7) failure to furnish complete, accurate, itemized wage statements, and all other claims and allegations made or which could have been made in the Action based on the facts and allegations pled in the Operative Complaint and/or the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, Social Security benefits, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads: **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**
- 5.2 Release by Allegedly Aggrieved Employees: All Allegedly Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, domestic partners, marital community, children, representatives, agents, attorneys, heirs, administrators, predecessors, successors, estates, trusts, beneficiaries, devisees, legatees, executors, trustees, conservators, guardians, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint which includes the PAGA claims based on Defendant's alleged (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods and premium pay; (3) failure to authorize and permit rest periods and premium pay; (4) failure to reimburse necessary business expenses; (5) failure to timely pay wages and waiting time penalties; (6) failure to maintain accurate records; and (7) failure to furnish complete, accurate, itemized wage statements, and all other claims and allegations made or which could have been made in the Action based on the facts and allegations pled in the Operative

Complaint and/or the PAGA Notice.

- 5.3 Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former spouses, domestic partners, marital community, children, representatives, agents, attorneys, heirs, administrators, predecessors, successors, estates, trusts, beneficiaries, devisees, legatees, executors, trustees, conservators, guardians, and assigns, the Released Parties from all claims for PAGA Fees incurred in connection with the Class Action Complaint, the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree that PAGA Counsel will draft and file an application or motion for approval of this Settlement that includes the notice to be provided to the Allegedly Aggrieved Employees and file it after review by Defense Counsel. The Parties will jointly seek to immediately vacate or stay all dates in the Action, pending approval by the Court of the Settlement, and will seek a date for the hearing on the motion for approval of this Settlement as soon as possible.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Allegedly Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Allegedly Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Allegedly Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by email, meeting in person or by telephone, and in good faith, to

resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by email, meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. ("ILYM") to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses Payment. The Parties, PAGA Counsel, and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

- 8. **ALLEGEDLY AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of the settlement reached at mediation, the Allegedly Aggrieved Employees worked 33,401 Pay Periods during the PAGA Period. If as of the end of the PAGA Period the actual number of PAGA Pay Periods is more than 10% larger than the estimated number of 33,401 Pay Periods (i.e., 36,741 or more Pay Periods) the Gross Settlement Amount shall be increased by the percentage by which the actual number of Pay Periods exceeds the estimated number of 33,401 Pay Periods.

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

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-Judgment and appellate proceedings, the right to file motions to vacate the Judgment,

motions for a new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the PAGA Notice or Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution. In the event that the Court refuses to approve any economic term or term related to the scope of the claims release, Defendant, at its option, may void the Settlement. A reduction in the amount of PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment is not a basis to void the Settlement. If Defendant voids the Settlement, Defendant shall be responsible for any administrative

costs incurred to date. In the event that the Court refuses to approve any term related to the scope of the release, the Parties agree to return to mediation and/or work cooperatively with the mediator outside of mediation in order to attempt to address the concerns of the Court, and upon reaching an agreement, submit a revised agreement to the Court.

- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. The Parties shall keep the terms of the Settlement confidential to the fullest extent permitted by law. However, Plaintiff shall present and file the Settlement Agreement for approval with the Court as required pursuant to California law. To the extent permitted by law, all prior agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant or Defense Counsel in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff and PAGA Counsel shall destroy all paper and electronic versions of Aggrieved Employee Data

and PAGA Data received from Defendant or Defense Counsel, including but not limited to collective bargaining agreements including any amendments and attachments, sample time punch data, sample payroll data, policies, procedures or any other document provided by way of informal production in the Action, unless, prior to the Administrator's payment of all Settlement Funds, Defendant or Defense Counsel makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data, PAGA Data and/or all other data discussed above.

- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Mehrdad Bokhour <i>mehrdad@bokhourlaw.com</i> Bokhour Law Group, P.C. 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 310-975-1493 (phone)	Joshua Falakassa <i>josh@falakassalaw.com</i> Falakassa Law, PC 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 818-456-6168 (phone)
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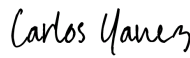
To Defendant:

Chandra A. Beaton <i>cbeaton@lightgablerlaw.com</i> Kathleen M. Fellows <i>kfellows@lightgablerlaw.com</i> LightGabler 760 Paseo Camarillo, Suite 300 Camarillo, CA 93010 (805) 248-7208 (phone) (805) 248-7209 (fax)	
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- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.
- 10.18 Publicity. Plaintiff and PAGA Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, post any new material on any internet websites, or have any communication with the press about the Action, and/or the fact, amount, or terms of the Settlement. Plaintiff and PAGA Counsel will not initiate any contact with the Allegedly Aggrieved Employees or anyone else about the Settlement, except that: (a) PAGA Counsel, if contacted by an Allegedly Aggrieved Employee, may respond that a settlement has been reached and that the details will be communicated in a forthcoming Court-approved notice; and (b) Plaintiff, if contacted by an Allegedly Aggrieved Employee, may respond only that the Allegedly Aggrieved Employee should contact the Administrator. Nothing in this paragraph shall prevent PAGA Counsel and Plaintiff from undertaking all required submissions to the LWDA as required by the PAGA statute in connection with this Settlement. PAGA Counsel and Plaintiff will also provide Defense Counsel with a copy of the papers submitted to the LWDA, either prior to or on the same day as the submission to the LWDA.

10/25/2023

Dated: October __, 2023

DocuSigned by:

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Plaintiff Carlos Yanez

FALAKASSA LAW, P.C.

10/25/2023

Dated: October __, 2023

DocuSigned by:

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Joshua S. Falakassa, Esq.
Counsel for Plaintiff, Carlos Yanez, and the
Allegedly Aggrieved Employees

BOKHOUR LAW GROUP, P.C.

10/25/2023
Dated: October __, 2023

DocuSigned by:
Mehrdad Bokhour
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Mehrdad Bokhour, Esq.
Counsel for Plaintiff, Carlos Yanez, and the Allegedly
Aggrieved Employees

Dated: October __, 2023

By: James Marsh, CEO
Defendant, Taft Electric Company

LIGHTGABLER

Dated: October __, 2023

Chandra A. Beaton, Esq.
Kathleen M. Fellows, Esq.
Counsel for Defendant, Taft Electric Company