

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT
Gomez, et al. v. R.D. Engineering & Construction, Inc., et al.
San Diego County Superior Court, Case No. 37-2022-00025793-CU-OE-CTL

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Ramon Gomez and Brock Loucks (“Plaintiffs”) and Defendants R.D. Engineering & Construction, Inc. and Robert Davison, Jr. (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Defendants captioned *Gomez, et al. v. R.D. Engineering & Construction, Inc., et al.*, Case No. 37-2022-00025793-CU-OE-CTL, initiated on June 30, 2022, and pending in Superior Court of the State of California, County of San Diego.
- 1.2. “Administrator” means Apex Class Action Administration, 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 Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former nonexempt employees of Defendants who worked in California at any time between April 1, 2021 and the date of Preliminary Approval.
- 1.5. “Class” means all current or former non-exempt employees of Defendants who performed work in California during the period between April 1, 2018 and the date of Preliminary Approval.
- 1.6. “Class Counsel” means Vilmarie Cordero and Dawn M. Berry of GRAHAMHOLLIS APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred in prosecuting the Action.
- 1.8. “Class Data” means Class Members’ identifying information in Defendants’ possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT, to be mailed to Class Members in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from April 1, 2018 and the date of Preliminary Approval.
- 1.13. “Class Representatives” means Ramon Gomez and Brock Loucks, the named Plaintiffs in the Action seeking Court approval to serve as a Class Representatives.
- 1.14. “Class Representative Service Award” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of San Diego.
- 1.16. “Defendants” means R.D. Engineering & Construction, Inc. and Robert Davison, Jr., the named defendants in the Action.
- 1.17. “Defense Counsel” means Geoffrey M. Thorne of Higgs Fletcher & Mack LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$650,000, which is the total amount Defendants agree to pay under the Settlement, excluding the employer’s share of applicable payroll taxes. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Awards and the Administration Expenses Payment.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during

the Class Period.

- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Class Representative Service Awards, Class Counsel Fees Payment, Class Counsel Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members and Aggrieved Employees as Individual Class Payments and Individual PAGA Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period between April 1, 2021 and the date of Preliminary Approval.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff Gomez’s April 25, 2022 letter to Defendants, and the amended notices subsequently filed on or about January 27, 2023 and April 19, 2024, and the LWDA providing notice pursuant to Labor Code § 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means \$20,000, the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000) and 75% to the LWDA (\$15,000) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Ramon Gomez and Brock Loucks, the named plaintiffs in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.1 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.41. “Released Parties” means: Defendants R.D. Engineering & Construction, Inc. and Robert Davison, Jr. and each of their past, present, and future officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, heirs, and joint ventures.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax or mail Requests for Exclusion from the Settlement, or (b) fax or mail his or her Objection to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 10 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Travel Time Subclass” means all nonexempt employees of Defendants who worked out of the company’s San Luis Obispo and/or Los Angeles facilities.
- 1.46. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On July 30, 2022, Plaintiff Gomez commenced this Action by filing a Complaint alleging causes of action against Defendant R.D. Engineering & Construction, Inc. for: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Provide Heat Recovery Periods; (4) Failure to Pay Minimum, Regular, and Overtime Wages; (5) Failure to Indemnify All Necessary Expenditures; (6) Illegal Deductions from Wages; (7) Failure to Provide Accurate Itemized Wage Statements; (8) Failure to Timely Pay All Wages Due Upon Separation of Employment; (9) Violation of Business & Professions Code § 17200 et seq.; and (10) Civil Penalties Pursuant to PAGA. On August 16, 2022, Plaintiff Gomez filed a First Amended Complaint to include additional allegations supporting his claim for failure to indemnify all necessary expenditures.
- 2.2 On March 1, 2023, Plaintiff Gomez filed a Second Amended Complaint, adding Plaintiff

Loucks as a named plaintiff, adding Robert Davison, Jr. as a named defendant, and including allegations regarding Defendants' travel time policy. The Second Amended Complaint is the operative complaint in the Action (the "Operative Complaint").

- 2.3 Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.4 Pursuant to Labor Code § 2699.3, subd.(a), Plaintiff Gomez gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.5 On April 9, 2025, the Parties participated in an all-day private mediation presided over by Hon. Eddie C. Sturgeon (Ret.), which led to this Agreement to settle the Action. The settlement is the product of arm's-length negotiations by highly skilled and well-informed counsel.
- 2.6 Prior to mediation, Plaintiffs obtained, through formal and informal discovery, the identity of and contact information for Class Members who did not opt-out, following notice and an opportunity to do so, Defendants' policies and procedures related to the claims asserted, and timekeeping and payroll records for a random 15% sample of Class Members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.7 The Parties, Class 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.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants agree to pay a total of \$650,000 as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount or any payroll taxes prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 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 Final Approval:
 - 3.2.1 To Plaintiffs: Class Representative Service Awards to Plaintiffs of not more than \$10,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment they are entitled to receive as Participating Class Members). As part of the motion for Class Counsel Fees Payment and Class Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Awards no later than 16

court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Awards of less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Awards using IRS Form 1099. Plaintiffs assume full responsibility and liability for any employee-side taxes owed on the awards.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be \$227,500, and a Class Counsel Expenses Payment of not more than \$16,000. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs will file a motion for Class Counsel Fees Payment and Class Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel 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 Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Expenses Payment.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$5,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,500, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. The Administrator shall use the following formula when calculating Individual Class Payments: Individual Class Payment = [Net Settlement Amount x (Participating Class Member's Individual Number of Workweeks/Total Number of Workweeks for all Participating Class Members)]. Participating Class Members who are also members of the Travel Time Subclass will have a 0.4 multiplier applied to their total Workweek count. For example, if a Participating Class Member who is also a member of the Travel Time Subclass worked 120 Workweeks during the Class Period, they would be credit with an additional 48 Workweeks [120 x 0.4 = 48], or a total of 168 Workweeks, for purposes of calculating their Individual Class Payment. Such Workweeks shall not be counted as additional workweeks for purposes of the Pro Rata Increase clause in Paragraph 8.
- 3.2.4.1 Tax Allocation of Individual Class Payments. The Parties agree that 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual

Class Payment will be allocated to settlement of claims for interest and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Settlement Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000 to be paid from the Gross Settlement Amount, with 75% (\$15,000) allocated to the LWDA PAGA Payment and 25% (\$5,000) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties (\$5,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class 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 Class Data.

4.2 Funding of Gross Settlement Amount. The Gross Settlement Amount shall be paid by Defendants in two installments as follows: (1) the first installment in the amount of \$325,000 shall be deposited with the Administrator within 180 days of the Preliminary Approval Date;

and (2) the second installment in the amount of \$325,000 shall be deposited with the Administrator within 270 days of the Preliminary Approval Date.

4.3 Payments from the Gross Settlement Amount. Within 21 days of the Effective Date, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, and the Class Representative Service Awards.

4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees. The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.3.3 For any Class Member whose Individual Class Payment check or 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure § 384, subd. (b).

4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

5.1 Released Class Claims. Upon the Effective Date, and except as to the right to enforce the terms and conditions of this Agreement, each Participating Class Member will release the

Released Parties of all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that were or could have been pleaded under local, state or federal law arising out of or reasonably related to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Operative Complaint, including but not limited to claims for (1) failure to provide legally compliant meal periods in violation of Labor Code §§ 226.7, 512, 1198, and IWC Wage Order No. 16-2001; (2) failure to provide legally compliant rest periods in violation of Labor Code §§ 226.7, 1198, and IWC Wage Order No. 16-2001; (3) failure to provide recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, section 3395(d); (4) failure to timely pay minimum, regular, and overtime wages in violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1198, 1199, and IWC Wage Order No. 16-2001; (5) failure to reimburse necessary business expenses in violation of Labor Code § 2802; (6) illegal deduction of wages in violation of Labor Code §§ 221, 222, 223, and 224; (7) failure to furnish accurate itemized wage statements in violation of Labor Code §§ 226 and 1198; (8) failure to timely pay all wages owed upon separation of employment in violation of Labor Code §§ 201, 202, and 203; and (9) violation of Business and Professions Code § 17200 based solely on the facts alleged in the Operative Complaint.

5.2 Released PAGA Claims: Each Aggrieved Employee will release the Released Parties of all claims pursuant to the PAGA arising out of or reasonably related to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Operative Complaint and/or the LWDA Notices dated April 25, 2022, January 27, 2023 and April 19, 2024, including PAGA claims for (1) failure to provide legally compliant meal periods in violation of Labor Code §§ 226.7, 512, 1198, and IWC Wage Order No. 16-2001; (2) failure to provide legally compliant rest periods in violation of Labor Code §§ 226.7, 1198, and IWC Wage Order No. 16-2001; (3) failure to provide recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, section 3395(d); (4) failure to timely pay minimum, regular, and overtime wages in violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1198, 1199, and IWC Wage Order No. 16-2001; (5) failure to reimburse necessary business expenses in violation of Labor Code § 2802; (6) illegal deduction of wages in violation of Labor Code §§ 221, 222, 223, and 224; (7) failure to furnish accurate itemized wage statements in violation of Labor Code §§ 226 and 1198; and (8) failure to timely pay all wages owed upon separation of employment in violation of Labor Code §§ 201, 202, and 203.

5.3 General Release by Plaintiffs. This Agreement is conditioned upon a full release by Plaintiffs. In exchange for the Class Representative Service Awards, upon the Effective Date, and except as to the right to enforce the terms and conditions of this Agreement, Plaintiffs release the Released Parties from any and all charges, complaints, claims, causes of action, demands, disputes, damages, business expenses, attorneys' fees, costs, losses, and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, which Plaintiffs, at any time, had, claimed to have, or may have had, including but not limited to any and all claims arising out of, relating to, or resulting from their employment with and separation of employment with Released Parties, including any claims arising under any federal, state, or local law relating to employment, including, but in no way limited to, any claim under Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. § 1981; the Americans with Disabilities Act ("ADA"); the Family

and Medical Leave Act (“FMLA”); the Employee Retirement Income Security Act (“ERISA”); the California Family Rights Act (“CFRA”); the California Fair Employment and Housing Act (“FEHA”); all claims for wages or penalties under the Fair Labor Standards Act (“FLSA”); all claims for wages or penalties under the California Labor Code; Business and Professions Code §§ 17200 et seq.; all laws relating to violation of public policy, retaliation, or interference with legal rights; any and all other employment or discrimination laws; whistleblower claims; any tort, fraud, or constitutional claims; and any breach of contract claims or claims of promissory estoppel. It is agreed that this is a general release and is to be broadly construed as a release of all claims; provided that, notwithstanding the foregoing, this paragraph expressly does not include a release of any claims that cannot be released hereunder by law. Plaintiffs understand and expressly agrees that this Agreement extends to claims that they have against Released Parties, of whatever nature and kind, known or unknown, suspected or unsuspected, vested or contingent, past, present, or future, arising from or attributable to an incident or event, occurring in whole or in part, on or before the Effective Date of this Agreement. Any and all rights granted under any state or federal law or regulation limiting the effect of this Settlement Agreement, including the provisions of section 1542 of the California Civil Code, are hereby expressly waived. Section 1542 of the California Civil Code reads 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.

6. MOTION FOR PRELIMINARY APPROVAL.

6.1 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement. Such shall be delivered at least seven calendar days in advance of the filing deadline for Plaintiffs’ Motion for Preliminary Approval.

6.1.1 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action Administration 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 and their 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 § 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 Using best efforts to perform as soon as possible, and in no event later than 21 days after the Effective Date, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.2 Not later than three business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.3 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 10 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.4 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in good faith, in an effort to agree on whether to include them as Class Members. If

the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion.

- 7.5.1 Class Members who wish to exclude themselves from the Class Settlement must send the Administrator, by fax or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 10 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member, or his or her representative, that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name and address. To be valid, a Request for Exclusion must be timely faxed or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 10 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and/or PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the administrator via fax or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the

Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement, including contesting the fairness of the Settlement, and/or the amounts requested for the Class Counsel Fees Payment, the Class Counsel Expenses Payment and/or the Class Representative Service Awards.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax or mail. In the alternative, Participating Class Members may appear in Court (or retain an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 10 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 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.

7.8.1 Requests for Exclusion and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion received, objections received, and challenges to Workweeks and/or Pay Periods received ("Weekly Report").

7.8.3 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final, decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise

susceptible to challenge.

7.8.4 Administrator's Declaration. Not later than 10 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the number of Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections, and the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration in Court.

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 10 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **PRO RATA INCREASE.** The Gross Settlement Amount was calculated with, and is premised on, the understanding that there are approximately 210 Class Members who worked approximately 20,751 workweeks between April 1, 2018 and the date of the April 9, 2025 mediation. The Parties agree that if the total number of Settlement Class pay periods exceeds 5% of the estimated number as of the date of the mediation (i.e., exceeds 21,789 workweeks), then, either (a) the Gross Settlement Amount will be increased by 1% for every 1% increase in pay periods over the 5% threshold (e.g., if the threshold of 21,789 workweeks threshold is exceeded by 2%, the Gross Settlement Amount will increase by 2%), or, at Defendants' option, (b) the Class Period and PAGA Period will end on the last day that the 5% threshold is not exceeded.

9. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than

seven calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Awards, Class Counsel Fees Payment, Class Counsel Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 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 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.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector 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.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Awards or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure §

384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

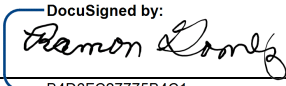
12. ADDITIONAL PROVISIONS.

- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 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.
- 12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.
- 12.5 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 the Settlement 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.
- 12.6 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.

- 12.7 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.
- 12.8 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.
- 12.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.10 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.
- 12.11 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.
- 12.12 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.
- 12.13 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.
- 12.14 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.
- 12.15 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.
- 12.16 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 Code of Civil Procedure § 583.330 to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

[SIGNATURE PAGE FOLLOWS]

Dated: May 28, 2025

By: 
Ramon Gomez

Dated: May __, 2025

By: _____
Brock Loucks

Dated: May __, 2025

By: _____
Robert Davison, Jr., individually and as
Authorized Agent of Defendant R.D.
Engineering & Construction, Inc.

Approval as to Form and Content by Counsel:

GRAHAMHOLLIS APC

Dated: May __, 2025

By: _____
Vilmarie Cordero
Dawn M. Berry
Attorneys for Plaintiffs

HIGGS FLETCHER & MACK

Dated: May __, 2025

By: _____
Geoffrey M. Thorne
Attorneys for Defendants R.D. Engineering &
Construction, Inc. and Robert Davison, Jr.

Dated: May ___, 2025

By: _____
Ramon Gomez

Dated: May 30, 2025

By: _____
Brock Loucks

Signed by:

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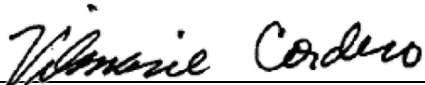
Dated: May ___, 2025

By: _____
Robert Davison, Jr., individually and as
Authorized Agent of Defendant R.D.
Engineering & Construction, Inc.

Approval as to Form and Content by Counsel:

GRAHAMHOLLIS APC

Dated: May 30, 2025

By:  _____
Vilmarie Cordero
Dawn M. Berry
Attorneys for Plaintiffs

HIGGS FLETCHER & MACK

Dated: May ___, 2025

By: _____
Geoffrey M. Thorne
Attorneys for Defendants R.D. Engineering &
Construction, Inc. and Robert Davison, Jr.

Dated: May ___, 2025

By: _____
Ramon Gomez

Dated: May ___, 2025

By: _____
Brock Loucks

6/2/2025

Dated: May ___, 2025

DocuSigned by:
Bob Davison
By: _____
Robert Davison, Jr., individually and as
Authorized Agent of Defendant R.D.
Engineering & Construction, Inc.

Approval as to Form and Content by Counsel:

GRAHAMHOLLIS APC

Dated: May ___, 2025

By: _____
Vilmarie Cordero
Dawn M. Berry
Attorneys for Plaintiffs

6/2/2025

Dated: May ___, 2025

HIGGS FLETCHER & MACK
DocuSigned by:
Geoff Thorne
By: _____
Geoffrey M. Thorne
Attorneys for Defendants R.D. Engineering &
Construction, Inc. and Robert Davison, Jr.

EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Gomez, et al. v. R.D. Engineering & Construction, Inc., et al.

San Diego County Superior Court, Case No. 37-2022-00025793-CU-OE-CTL

The Superior Court for the State of California authorized this Notice. Read it carefully!

You may be eligible to receive money from an employee class action lawsuit (“Action”) against R.D. Engineering & Construction, Inc. and Robert Davison, Jr. (“R.D. Engineering”) for alleged wage and hour violations. The Action was filed by former employees, Ramon Gomez and Brock Loucks (“Plaintiffs”), and seeks payment of (1) unpaid wages and other relief for a class of hourly, nonexempt employees (“Class Members”) who worked for R.D. Engineering during the Class Period (April 1, 2018 to [DATE]); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, nonexempt employees who worked for R.D. Engineering during the PAGA Period (April 1, 2021 to [DATE]) (“Aggrieved Employees”).

The proposed Settlement has two main components: (1) a Class Settlement requiring R.D. Engineering to fund Individual Class Payments, and (2) a PAGA Settlement requiring R.D. Engineering to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on R.D. Engineering’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$[AMOUNT] (less withholding) and your Individual PAGA Payment is estimated to be \$[AMOUNT]**. The actual amount you may receive may be different and will depend on a number of factors. If no amount is stated for your Individual PAGA Payment, then according to R.D. Engineering’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.

The above estimates are based on R.D. Engineering’s records showing that **you worked [NUMBER] workweeks** during the Class Period and **you worked [NUMBER] pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully, as you will be deemed to have read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires R.D. Engineering to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against R.D. Engineering.

If you worked for R.D. Engineering during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against R.D. Engineering.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue any wage claims you may have against R.D.

Engineering, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

R.D. Engineering will not retaliate against you for any actions you take or do not take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against R.D. Engineering that are covered by this Settlement ("Released Claims," as defined below).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [DATE]	If you don't want to participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. R.D. Engineering must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs, who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [DATE] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [DATE]. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [DATE]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and PAGA Period Pay Periods you worked according to R.D. Engineering's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [DATE]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former R.D. Engineering non-exempt employees. Plaintiffs allege R.D. Engineering violated California labor laws by: (1) failing to provide meal periods; (2) failing to provide rest periods; (3) failing to provide heat recovery periods; (4) failing to pay minimum, regular, and overtime wages; (5) failing to reimburse all necessary expenditures; (6) illegally deducting wages; (7) failing to provide accurate itemized wage statements; (8) failing to timely pay all wages due upon separation of employment; and (9) violating of Business & Professions Code § 17200 et seq. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.). Plaintiffs are represented by attorneys in the Action, Vilmarie Cordero and Dawn M. Berry of GrahamHollis APC (“Class Counsel”).

R.D. Engineering denies the allegations in the Action and contends that it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination on whether R.D. Engineering or Plaintiffs are correct on the merits. Instead, Plaintiffs and R.D. Engineering retained a neutral, third-party mediator, Hon. Eddie C. Sturgeon (Ret.), in an effort to resolve the Action by negotiating a mutually agreeable settlement, rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and R.D. Engineering have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, R.D. Engineering does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) R.D. Engineering has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- A. R.D. Engineering Will Pay \$650,000 as the Gross Settlement Amount (“Gross Settlement”). R.D. Engineering has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Awards, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, R.D. Engineering will fund the Gross Settlement not more than 270 days after the Court’s [DATE] Order Granting Preliminary Approval.
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - 1. Up to \$227,500 (35% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$16,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

2. Up to \$10,000 each as a Class Representative Service Awards to Plaintiffs for filing the Action, working with Class Counsel, and representing the Class. Class Representative Service Awards will be the only monies Plaintiffs will receive other than their Individual Class Payment and any Individual PAGA Payment.
3. Up to \$5,500 to the Administrator for services administering the Settlement.
4. Up to \$20,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- D. Taxes Owed on Payments to Class Members. Plaintiffs and R.D. Engineering are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. R.D. Engineering will separately pay the employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and R.D. Engineering have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.
- F. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [DATE], that you wish to opt-out. The written request for exclusion must include: (1) your full name and current mailing address; (2) your signature; and (3) a statement which substantially reads as follows: “I wish to exclude myself from the settlement in *Gomez v. R.D. Engineering & Construction, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025793-CU-OE-CTL, and I understand that by requesting to be excluded from the Settlement Class, I will not receive any money from the settlement other than the Individual PAGA Payment I will receive if I am eligible.”

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (i.e., Non-Participating Class Members) remain eligible for

Individual PAGA Payments and are required to give up their right to assert PAGA claims against R.D. Engineering based on the PAGA Period facts alleged in the Action.

- G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and R.D. Engineering have agreed that, in either case, the Settlement will be void: R.D. Engineering will not pay any money and Class Members will not release any claims against R.D. Engineering.
- H. Administrator. The Court has appointed a neutral company, Apex Class Action Administration (the “Administrator”), to send this Notice, calculate and make payments, and process any requests for exclusion. The Administrator will also decide any Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- I. Participating Class Members’ Release. After the Judgment is final and R.D. Engineering has fully funded the Gross Settlement and paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against R.D. Engineering or related entities for wages based on the facts asserted in the Action and resolved by this Settlement.

Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release R.D. Engineering and its related entities of all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that were or could have been pleaded under local, state or federal law arising out of or reasonably related to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Operative Complaint, including but not limited to claims for: (1) failure to provide legally compliant meal periods in violation of Labor Code §§ 226.7, 512, 1198, and IWC Wage Order No. 16-2001; (2) failure to provide legally compliant rest periods in violation of Labor Code §§ 226.7, 1198, and IWC Wage Order No. 16-2001; (3) failure to provide recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, section 3395(d); (4) failure to timely pay minimum, regular, and overtime wages in violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1198, 1199, and IWC Wage Order No. 16-2001; (5) failure to reimburse necessary business expenses in violation of Labor Code § 2802; (6) illegal deduction of wages in violation of Labor Code §§ 221, 222, 223, and 224; (7) failure to furnish accurate itemized wage statements in violation of Labor Code §§ 226 and 1198; (8) failure to timely pay all wages owed upon separation of employment in violation of Labor Code §§ 201, 202, and 203; and (9) violation of Business and Professions Code § 17200 based solely on the facts alleged in the Operative Complaint.

- J. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and R.D. Engineering has paid the Gross Settlement and the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against R.D. Engineering, whether or not they exclude

themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against R.D. Engineering or its related entities based on the facts asserted in the Action and resolved by this Settlement.

The PAGA Release for Participating and Non-Participating Class Members is as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release R.D. Engineering and its related entities, of all claims pursuant to PAGA, arising out of or reasonably related to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Operative Complaint against R.D. Engineering and/or the LWDA Notice, including PAGA claims for (1) failure to provide legally compliant meal periods in violation of Labor Code §§ 226.7, 512, 1198, and IWC Wage Order No. 16-2001; (2) failure to provide legally compliant rest periods in violation of Labor Code §§ 226.7, 1198, and IWC Wage Order No. 16-2001; (3) failure to provide recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, section 3395(d); (4) failure to timely pay minimum, regular, and overtime wages in violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1198, 1199, and IWC Wage Order No. 16-2001; (5) failure to reimburse necessary business expenses in violation of Labor Code § 2802; (6) illegal deduction of wages in violation of Labor Code §§ 221, 222, 223, and 224; (7) failure to furnish accurate itemized wage statements in violation of Labor Code §§ 226 and 1198; and (8) failure to timely pay all wages owed upon separation of employment in violation of Labor Code §§ 201, 202, and 203.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. Individual Class Payments will be calculated by (a) dividing the Net Settlement by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. Participating Class Members who are also members of the Travel Time Subclass, defined as any non-exempt employee who worked out of the company's San Luis Obispo and/or Los Angeles facilities, will have a 0.4 multiplier applied to their total Workweek count.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000 (25% of the PAGA Penalties) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in R.D. Engineering's records, are stated in the first page of this Notice. You have until [DATE] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept R.D. Engineering's calculation of Workweeks and/or Pay Periods based on R.D. Engineering's records as accurate unless you send copies of records containing contrary

information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and R.D. Engineering's. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- A. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Gomez v. R.D. Engineering & Construction, Inc.*, and include your identifying information (full name, address, telephone number, and approximate dates of employment for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [DATE], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and R.D. Engineering are asking the Court to approve. At least 16 court days before the [DATE] Final Approval Hearing, Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Attorneys' Fees, Litigation Costs, and Class Representative Service Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation costs; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you electronic copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorneys' Fees, Litigation Costs, and Class Representative Service Awards may wish to object, for example, that the proposed Settlement is unfair or that the amounts requested by Class Counsel or Plaintiffs are too high. **The deadline for sending written objections to the Administrator is [DATE].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Gomez v. R.D. Engineering & Construction, Inc.*, and include your name, current address, telephone number, and approximate dates of employment with R.D. Engineering, and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own expense) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [DATE] at [TIME] in Department 62 of the San Diego County Superior Court, located at 330 West Broadway, San Diego, CA 92101. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually (www.sdcourt.ca.gov/sdcourt/civil2/civilvirtualhearings). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel beforehand to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything R.D. Engineering and Plaintiffs have agreed to do under the proposed Settlement. To obtain a copy of the Agreement, you can contact Class Counsel using the information below, or go to the San Diego Superior Court website (www.sdcourt.ca.gov/sdcourt/generalinformation/accessrecords) and entering the Case Number for the Action, Case No. 37-2022-00025793-CU-OE-CTL. **Do not telephone the court to obtain information about the settlement.**

You may contact Class Counsel at:

Vilmarie Cordero
Dawn M. Berry
GrahamHollis APC
3555 Fifth Avenue, Suite 200
San Diego, California 92103
Telephone: 619-546-4373

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the California State Controller's Unclaimed Property Division for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.