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CLERK OF THE SUPERIOR COURT
BY  DEPUTY

DOUGLAS HAN (SBN 232858)
SHUNT TATAVOS-GHARAJEH (SBN 272164)
HALINA E. SZYMANSKI (SBN 341183)
JUSTICE LAW CORPORATION
751 North Fair Oaks Ave., Suite 101
Pasadena, California 91103
Telephone: (818) 230-7502
Facsimile: (818) 230-7259

Attorneys for Plaintiffs

SUSAN E. BISHOP (SBN 187253)
IRIS C. CHU (ABN 327427)
BERLINER COHEN, LLP
Ten Almaden Boulevard, 11th Floor
San Jose, California 95113
Telephone: (408) 286-5800
Facsimile: (408) 998-5388

Attorneys for Defendant

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MERCED**

DANIEL PEREZ and ARMANDO
BANUELOS, individually, and on behalf of
aggrieved employees pursuant to the Private
Attorneys General Act ("PAGA");

Plaintiffs,

v.

LAIRD MFG., LLC, a California limited
liability company; and DOES 1 through 100,
inclusive;

Defendants.

Case No.: 22CV-01973

Assigned For All Purposes to:
Honorable Brian McCabe
Courtroom 8

**JOINT STIPULATION AND
~~PROPOSED~~ APPROVAL ORDER
GRANTING PRIVATE
ATTORNEYS GENERAL ACT
(LABOR CODE § 2698, ET SEQ.)
SETTLEMENT AND RELEASE
AGREEMENT**

Complaint Filed: June 28, 2022
Trial Date: None Set

1 Plaintiffs Daniel Perez and Armando Banuelos ("Plaintiffs," "Plaintiff Perez," and
2 "Plaintiff Banuelos"), on behalf of themselves and other current and former aggrieved
3 employees, and Defendant Laird MFG., LLC ("Defendant"), by and through their counsel of
4 record, hereby stipulate as follows for purposes of settling this action:

5 1. Pursuant to Labor Code section 2698, *et seq.* (Private Attorneys General Act
6 of 2004 ("PAGA")), on April 19, 2022 and April 22, 2022, Plaintiff Perez and Plaintiff
7 Banuelos respectively provided written notice to the California Labor and Workforce
8 Development Agency ("LWDA") and Defendant of the specific provisions of the Labor Code
9 they contend were violated and theories supporting their contentions.

10 2. On June 28, 2022, Plaintiffs filed a representative PAGA action against
11 Defendant in the Superior Court of California, County of Merced (Case No. 22CV-01973),
12 alleging that a group of aggrieved employees consisting of current or former hourly-paid or
13 non-exempt employees of Defendant who worked for Defendant within the State of California
14 at any time during the relevant time period had suffered Labor Code violations during their
15 employment with Defendant.

16 3. Plaintiffs and Defendant (collectively, "Parties") have engaged in discovery
17 and exchange of information, investigations, and negotiations, resulting in Defendant
18 producing several relevant documents, including, but not limited to, personnel records,
19 employee handbooks, policy documents, and time and payroll records.

20 4. After engaging in discovery, investigations, and negotiations, the Parties
21 reached an agreement on the settlement of the claims, memorialized in the Settlement
22 Agreement and Release ("Settlement Agreement," "Settlement," or "Agreement").

23 5. Attached hereto as **Exhibit 1** is the fully executed Settlement Agreement
24 setting forth the terms of the settlement. Attached as **Exhibit A** to the Settlement Agreement
25 is the letter that will be sent to all Settlement Group Members to provide them with notice of
26 the settlement and information regarding their Individual Settlement Awards.

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8. WHEREAS, attached hereto as **Exhibit 2** is the email confirmation from the LWDA regarding the submission of the Agreement.

WHEREFORE, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES HERETO, THROUGH THEIR RESPECTIVE COUNSEL, AS FOLLOWS: The Settlement is fair, adequate, and reasonable, as it represents a reasoned compromise reached through arm's-length negotiations and considers the risks, complexity, and expense of litigation.

JUSTICE LAW CORPORATION

By: D. Han
DOUGLAS HAN
SHUNT TATAVOS-GHARAJEH
HALINA E. SZYMANSKI
Attorneys for Plaintiffs

BERLINER COHEN, LLP

By: /s/ Susan E. Bishop

 SUSAN E. BISHOP
 IRIS C. CHU
Attorney for Defendant

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[REDACTED] ORDER AND JUDGMENT

Having duly considered the above stipulation, and good cause appearing, **IT IS
HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

1. All the defined terms contained herein shall have the same meaning as set forth in the Settlement Agreement.

2. Plaintiffs' Complaint for Civil Penalties for Violation of Labor Code section 2698, *et seq.* that was filed on June 28, 2022 asserts a single cause of action pursuant to Labor Code section 2698, *et seq.* (PAGA) ("Action").

3. The Court finds Plaintiffs have satisfied the prerequisites under Labor Code section 2699.3(a), including and not limited to providing notice to the LWDA and Defendant of the specific provisions of the Labor Code Plaintiffs alleged Defendant violated as well as the facts and theories supporting the alleged violations. The Court finds the LWDA was provided notice of the wage-and-hour and payroll practices and facts alleged in the complaint, including *inter alia*, by way of written correspondence on April 19, 2022 and April 22, 2022.

4. The "Settlement Group" covered under the Settlement Agreement consists of the following individuals: all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the period from April 19, 2021, through August 18, 2023 ("Settlement Group," "Settlement Group Members," and "Settlement Period").

5. The Court finds the Parties reached the Settlement Agreement as the result of arm's-length negotiations.

6. The Court considered the Settlement and the monetary allocations provided thereby and finds that they are fair, just, reasonable, and adequate.

7. The Court approves the payments of \$170,399.60 to Plaintiffs' Counsel as the Attorneys' Fees Award and \$10,000 as the Litigation Costs Award. Defendant shall pay these amounts in accordance with this Order and Judgment and the Settlement Agreement.

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1 8. The Court approves the payment of \$10,000 to each Plaintiff (totaling
2 \$20,000) as the Enhancement Payments for their time and effort and for the risk they
3 undertook in bringing and prosecuting the Action. Defendant shall pay this amount in
4 accordance with this Order and Judgment and the Settlement.

5 9. The Court approves the payment of up to \$5,000 to Phoenix, the Settlement
6 Administrator, as the Administration Costs for the costs of administering the Settlement.

7 10. Pursuant to Labor Code section 2699(l), the Court has reviewed the sum
8 allocated for payment of penalties under PAGA ("PAGA Penalties Fund"). The Court
9 determined the PAGA Penalties Fund is fair, just, reasonable, and adequate, and hereby
10 approves the PAGA Penalties Fund. The PAGA Penalties Fund shall be the portion of the
11 Gross Settlement Amount remaining after the above-approved Attorneys' Fees Award,
12 Litigation Costs Award, Administration Costs, and Enhancement Payments are paid, which
13 is currently estimated to be \$243,020.40. Seventy-five percent (75%) of the PAGA Penalties
14 Fund (\$182,265.30) will be paid to the LWDA, and twenty-five percent (25%) of the PAGA
15 Penalties Fund (\$60,755.10) will be paid to the Settlement Group on a pro-rata basis based on
16 the number of pay periods the Settlement Group Member worked as an hourly-paid or non-
17 exempt employee of Defendant during the Settlement Period. Defendant shall pay this amount
18 in accordance with this Order and Judgment and the Settlement Agreement.

19 11. The Parties to this Action are directed to perform in accordance with the terms
20 set forth in the Settlement Agreement.

21 12. The Court directs the Settlement Administrator to administer the Settlement
22 and to make the payments as provided for in the Settlement and by this Order and Judgment.

23 13. The Court further finds that PAGA does not require that notice of the
24 Agreement be provided to the Settlement Group. However, the Settlement Administrator is
25 ordered to distribute payments to the Settlement Group Members with a cover letter. The
26 Court has reviewed and approved the letter, which will be distributed to the Settlement Group
27 Members along with their Individual Settlement Awards.

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1 14. Within fifteen (15) calendar days of the Effective Date (as defined in the
2 Agreement), Defendant shall provide to the Settlement Administrator a list of Settlement
3 Group Members that identifies each of their Social Security Numbers, last known addresses,
4 home telephones and phone numbers, and number of pay periods actively worked for
5 Defendant during the Settlement Period.

6 15. Within fifteen (15) calendar days of the Effective Date, Defendant shall
7 deposit \$448,420 with the Settlement Administrator.

8 16. Within fourteen (14) calendar days of the funding of the Settlement by
9 Defendant, the Settlement Administrator will issue the payments required by Section 7 of the
10 Agreement to the appropriate entities or persons. The Settlement Administrator shall obtain
11 approval from all counsel of the calculations before mailing Individual Settlement Awards.

12 17. Individual Settlement Award checks will remain negotiable for one hundred
13 twenty (120) calendar days after the date of their issuance. Any Individual Settlement Award
14 checks that are not cashed, deposited, or negotiated within this period will be void, and the
15 amount of those checks will be directed to the California State Controller for deposit in the
16 Unclaimed Property Fund in the name of the employee.

17 18. Plaintiffs, LWDA, and Settlement Group Members are hereby bound by the
18 Settlement and its associated release of the Released Claims (as defined in the Agreement).

19 19. Settlement Group Members shall not have the right to opt out of or object to
20 the Settlement. There will also be no claims process and no reversion.

21 20. Upon the Court's approval of the Agreement and payment of all sums
22 required by the Agreement, Plaintiffs shall file a request for dismissal of this matter in its
23 entirety as to Defendant with prejudice.

24 21. The Court shall retain jurisdiction as to the implementation and enforcement
25 of the terms of the Settlement.

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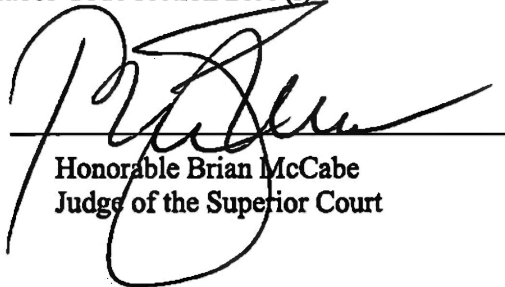
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22. Notice of this Order and Judgment shall be given to the LWDA by submission through the online system established for the filing of notices and documents within ten (10) calendar days after its entry in conformity with Labor Code section 2699(l).

Date: JUN 24 2023



Honorable Brian McCabe
Judge of the Superior Court

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE

Subject to approval by the Superior Court of California, County of Merced ("Court"), this Settlement Agreement and Release ("Agreement") is made and entered by and between Plaintiffs Daniel Perez and Armando Banuelos ("Plaintiffs," "Plaintiff Perez," and "Plaintiff Banuelos"), on behalf of themselves and as a representative aggrieved employee pursuant to Labor Code section 2698 *et seq.* (Private Attorneys General Act of 2004 ("PAGA")), and Defendant Laird MFG., LLC ("Defendant") to settle the civil action entitled *Perez, et al., v. Laird MFG., LLC*, Case Number 22CV-01973 ("Lawsuit"). Plaintiffs and Defendant are collectively referred to herein as the "Parties," and each may be individually referred to herein as a "Party."

RECITALS

This Agreement is made in consideration of the following facts:

- A. Plaintiffs are former hourly-paid, non-exempt employees of Defendant.
- B. Plaintiffs contend they suffered one or more violations of the Labor Code during their employment with Defendant and that they are "aggrieved employees" under PAGA. Pursuant to PAGA, an "aggrieved employee" may, after exhausting administrative remedies with the California Labor and Workforce Development Agency ("LWDA"), act as an agent of the State of California to bring an action to recover civil penalties from his or her former employer on behalf of himself or herself and other current or former employees for violations of the Labor Code.
- C. Pursuant to PAGA, on April 19, 2022 and April 22, 2022, Plaintiff Perez and Plaintiff Banuelos submitted letters to the LWDA ("PAGA Notice"), respectively, alleging that Defendant subjected them and other current and former hourly-paid or non-exempt employees of Defendant within the State of California to certain violations under the Labor Code, including sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, and 2802. These violations were premised upon Defendant's alleged failure to compensate its hourly-paid or non-exempt employees for all hours worked, failure to pay all minimum and overtime wages, failure to properly pay sick leave, failure to provide, authorize, and/or permit meal and rest breaks (or pay premiums in lieu thereof), failure to keep and provide complete and accurate wage statements, failure to reimburse employees for all necessary business expenses and related costs, failure to timely pay all wages due during employment and upon termination, and failure to maintain accurate and complete payroll records, all of which are collectively referred to herein as the "PAGA Claims."
- D. The Lawsuit includes the complaint Plaintiffs filed on June 28, 2022 that seeks to recover civil penalties and attorneys' fees based on the PAGA Claims.
- E. Defendant denies all of the allegations in the Lawsuit and any contention that Defendant committed any misconduct, wrongdoing, or any other actionable conduct of any kind, including any violation of the Labor Code.

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F. The Parties have each independently analyzed and investigated the facts and law relevant to the Lawsuit through discovery. Pursuant to discovery, Defendants produced, and Plaintiffs reviewed, a substantial amount of documents and data, including, but not limited to, information pertaining to the employment policies, practices, and procedures implicated by the PAGA Claims. This included Defendants' meal and rest breaks, overtime, timekeeping, and payroll policies; a sampling of timekeeping and payroll records; wage statements for Plaintiffs and other hourly-paid or non-exempt employees on whose behalf Plaintiffs brought the PAGA Claims asserted in the Lawsuit; and summaries of data pertaining to the number of employees allegedly affected by the PAGA Claims.

G. After evaluating the strengths and weaknesses of their respective positions; considering the time, expense, and risk associated with litigating the Lawsuit to judgment; and engaging in arm's-length settlement negotiations at an all-day mediation session with mediator Marc J. Feder, an experienced and well-respected mediator, the Parties desire, and have agreed, to fully and finally settle any and all claims in the Lawsuit up to and through the Settlement Period (as defined herein).

NOW, THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree to, and, pursuant to Labor Code section 2699(l)(2), seek approval of, the following settlement terms.

SETTLEMENT TERMS

1. **Court Approval of the Agreement.** In accordance with Labor Code section 2699(l)(2), the Parties will present this Agreement to the Court for its review and approval via a stipulation or noticed motion.

2. **Delivery of Agreement to the LWDA.** As required by Labor Code section 2699(l)(2), Plaintiffs will cause this Agreement to be submitted to the LWDA at the same time that this Agreement is submitted to the Court for approval.

3. **Effective Date.** This Agreement shall become fully effective the later of either: (a) the date the Court approves the Settlement; or (b) if the LWDA files an objection, the date there is a final resolution of the objection or appeal.

4. **No Admission of Liability.** The Parties acknowledge and agree this Agreement is the result of, and evidences, a compromise and settlement of disputed claims in the Lawsuit and that this Agreement is made and entered without any admission of liability or wrongdoing of any kind whatsoever by Defendant, who expressly denies and disclaims any liability or wrongdoing whatsoever. Accordingly, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall be construed as, an admission of wrongdoing or liability on the part of Defendant. Additionally, neither the execution of this Agreement, its creation, the payment of any sum or consideration hereunder, nor the performance of any obligation required by this Agreement is, or shall be construed as, an admission of the truth or accuracy of any allegation made by Plaintiffs or Plaintiffs' Counsel in the Lawsuit.

5. **Persons and Entities Covered by this Agreement.**

(a) **The Settlement Period.** This Agreement shall cover the period from April 19, 2021, through August 18, 2023 ("Settlement Period").

(b) **The Settlement Group.** This Agreement shall cover all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the Settlement Period. Such employees shall be collectively referred to herein as the "Settlement Group." Each employee within the Settlement Group may be individually referred to herein as a "Settlement Group Member." The Parties agree that there will be no right of Settlement Group Members to opt out of or object to the Settlement. There will be no claims process and no reversion.

6. **Settlement Administration.**

(a) The Parties will retain Phoenix Class Action Administration Solutions, to act as the "Settlement Administrator" with respect to this Agreement.

(b) The Settlement Administrator shall be responsible for establishing a qualified settlement fund pursuant to 26 U.S.C. section 486B, making all payments required by this Agreement, handling all required tax withholding and reporting related thereto to the extent necessary, and issuing all appropriate tax forms to Plaintiffs, Plaintiffs' Counsel, Settlement Group, and LWDA resulting from the settlement payments under this Agreement.

(c) Any disputes concerning administration of the Agreement may be submitted to the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the mediator's assistance, the dispute may be submitted to and resolved by the Court.

7. **Settlement Payments.**

(a) **Gross Settlement Amount.** In consideration of, and subject to, the promises, terms, and conditions set forth in this Agreement – including the releases set forth in Section 9 of this Agreement – Defendant shall pay the maximum gross sum of \$448,420 ("Gross Settlement Amount"), in the manner and method set forth in this Agreement, to fully, finally, and completely settle the Lawsuit and PAGA Claims alleged therein on behalf of the Settlement Group, including any and all associated claims for civil penalties, attorneys' fees, and litigation costs and expenses. Nothing in this Agreement, aside from the conditions set forth in Section 10, shall require Defendant to pay, or make Defendant liable for, more than the Gross Settlement Amount to fully, finally, and completely settle the Lawsuit and all claims alleged therein.

(b) **Allocation of Gross Settlement Amount.** The Gross Settlement Amount shall consist of the following categories of payments: proposed award of attorneys' fees to Plaintiffs' Counsel ("Attorneys' Fees Award"), proposed award of litigation costs and expenses to Plaintiffs' Counsel ("Litigation Costs Award"), proposed payment of settlement administration costs to the Settlement Administrator ("Administration Costs"), proposed payments of civil

penalties to the LWDA and Settlement Group ("PAGA Penalties Fund"), and proposed enhancement payments to each Plaintiff ("Enhancement Payment"). Subject to approval by the Court, these amounts shall be paid and allocated as set forth below in Sections 7(b)(i) through 7(b)(v) of this Agreement.

(i) **Attorneys' Fees Award.**

(A) Plaintiffs' attorneys in the Lawsuit – Douglas Han, Shunt Tatavos-Gharajeh, and Halina E. Szymanski of Justice Law Corporation ("Plaintiffs' Counsel") – may submit a combined application to the Court for an award of attorneys' fees in an amount not to exceed the gross sum of \$170,399.60 (38% of the Gross Settlement Amount). Defendant will not oppose or object to this application.

(B) Any Attorneys' Fees Award approved by the Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiffs may have for attorneys' fees arising out of the Lawsuit through the Effective Date of this Agreement, including work not yet performed.

(C) This Agreement is not contingent upon the Court approving an Attorneys' Fees Award in an amount equal to the maximum amount authorized by Section 7(b)(i)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Court to approve an Attorneys' Fees Award that is less than the amount authorized by Section 7(b)(i)(A) of this Agreement or the amount requested by Plaintiffs' Counsel.

(D) If any portion of the Attorneys' Fees Award authorized by Section 7(b)(i)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Attorneys' Fees Award. Additionally, any difference between the Attorneys' Fees Award authorized by Section 7(b)(i)(A) and Attorneys' Fees Award approved by the Court will become part of the Net Settlement Amount.

(ii) **Litigation Costs Award.**

(A) Plaintiffs' Counsel may submit an application to the Court for an award for reimbursement of litigation costs and expenses incurred by Plaintiffs' Counsel in connection with the Lawsuit that is currently estimated not to exceed the combined gross sum of \$10,000 ("Litigation Costs Award"). Defendant will not oppose or object to this application.

(B) Any Litigation Costs Award approved by the Court will be paid by Defendant out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of all claims Plaintiffs may have for litigation costs and expenses arising out of the Lawsuit through the Effective Date of this Agreement, including litigation costs and expenses not yet incurred.

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(C) This Agreement is not contingent upon the Court approving a Litigation Costs Award in an amount equal to the maximum amount authorized by Section 7(b)(ii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Court to approve a Litigation Costs Award that is less than the amount authorized by Section 7(b)(ii)(A) of this Agreement or the amount requested by Plaintiffs' Counsel.

(D) If any portion of the Litigation Costs Award authorized by Section 7(b)(ii)(A) of this Agreement is not approved by the Court, only the approved amount shall be paid, and the payment of that amount shall constitute satisfaction of Defendant's obligations with respect to the Litigation Costs Award. Additionally, any difference between the Litigation Costs Award authorized by Section 7(b)(ii)(A) and Litigation Costs Award approved by the Court will become part of the Net Settlement Amount.

(iii) **Administration Costs.**

(A) Subject to approval by the Court, an amount currently estimated at \$5,000 will be paid to the Settlement Administrator out of the Gross Settlement Amount to cover the costs of the settlement administration process ("Administration Costs"). If the actual costs of the settlement administration process are less than the amount approved by the Court, the balance will become part of the Net Settlement Amount.

(B) Any Administration Costs approved by the Court will be paid out of the Gross Settlement Amount and shall constitute a full and complete satisfaction of any settlement administration costs.

(C) This Agreement is not contingent upon the Court approving Administration Costs in an amount equal to the maximum amount authorized by Section 7(b)(iii)(A) of this Agreement. This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Court to approve Administration Costs in an amount that is less than the amount authorized by Section 7(b)(iii)(A) of this Agreement.

(D) If any portion of the Administration Costs authorized by Section 7(b)(iii)(A) of this Agreement is not approved by the Court, no more than the approved amount shall be paid to the Settlement Administrator out of the Gross Settlement Amount. Additionally, the difference between the Administration Costs authorized by Section 7(b)(iii)(A) and Administration Costs approved by the Court will become part of the Net Settlement Amount.

(iv) **Enhancement Payments.**

(A) Plaintiffs may submit an application to the Court for an award of enhancement payments in an amount not to exceed \$10,000 to each Plaintiff (totaling \$20,000) for their time and effort and for the risk they undertook in bringing and prosecuting the Lawsuit. Defendant shall not oppose any requests by Plaintiffs for the Enhancement Payments, which will be paid out of the Gross Settlement Amount.

(B) This Agreement is not contingent upon the Court approving the Enhancement Payments in an amount equal to the maximum amount authorized by Section 7(b)(iv)(A). This Agreement shall remain fully effective and enforceable notwithstanding any decision by the Court to approve the Enhancement Payments in an amount less than that authorized by Section 7(b)(iv)(A).

(C) If any portion of the Enhancement Payments authorized by Section 7(b)(iv)(A) is not approved by the Court, no more than the approved amount shall be paid to Plaintiffs from the Gross Settlement Amount. Additionally, any difference between the Enhancement Payments authorized by Section 7(b)(iv)(A) and Enhancement Payments approved by the Court will become part of the Net Settlement Amount.

(v) **PAGA Penalties Fund.** The portion of the Gross Settlement Amount remaining after the Attorneys' Fees Award, Litigation Costs Award, Enhancement Payments, and Administration Costs are paid shall be designated the "PAGA Penalties Fund," from which payments deemed to constitute a full and complete satisfaction of any and all claims in the Lawsuit for civil penalties under PAGA shall be made. Subject to approval by the Court, the PAGA Penalties Fund shall be allocated and paid as follows:

(A) **The LWDA Payment.** Seventy-five percent (75%) of the PAGA Penalties Fund will be paid to the LWDA for enforcement of labor laws, including the administration of PAGA, and for education of employers and employees about their rights and responsibilities under the Labor Code.

(B) **Individual Settlement Awards.** Twenty-five percent (25%) of the PAGA Penalties Fund shall be designated as the "Net Settlement Amount" and will be paid to the Settlement Group on a pro rata basis. Each Settlement Group Member will receive a pro-rated share of the Net Settlement Amount based on the total number of pay periods the Settlement Group Member worked as an hourly-paid or non-exempt employee of Defendant during the Settlement Period. The maximum amount that each Settlement Group Member is entitled to receive ("Individual Settlement Award") is determined by multiplying the Net Settlement Amount by a ratio that is determined by dividing the total number of pay periods worked by the Settlement Group Member for Defendant in California during the Settlement Period by the total number of pay periods worked by all Settlement Group Members for Defendant in California during the Settlement Period, as expressed in the following formula:

(1) Individual Settlement Award = Net Settlement Amount multiplied by the total number of pay periods worked by the Settlement Group Member divided by the total number of pay periods worked by all Settlement Group Members.

(2) The Parties intend the Net Settlement Amount shall be sufficient to pay all valid claims of Settlement Group Members in accordance with the formula set forth above. If for any reason the total value of payments to Settlement Group Members exceeds this amount, then payments to each Settlement Group Member will be adjusted on a pro-rata basis so that the total payout to Settlement Group Members does not exceed the Net Settlement Amount.

(c) **No Effect on Employee Benefits.** The payments made to Settlement Group Members pursuant to this Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Group Members may be eligible, including, but not limited to, any profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, or other benefit plans available to the Settlement Group. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which any Settlement Group Members may be entitled under any benefit plans.

(i) **Payments to Plaintiffs' Counsel.** The Attorneys' Fees Award and Litigation Costs Award shall be treated as IRS Form 1099 income. Accordingly, the Settlement Administrator shall issue an IRS Form 1099 to Justice Law Corporation in connection with its Attorneys' Fees Award and Litigation Costs Award.

(ii) **Payments to the LWDA.** The seventy-five percent (75%) of the PAGA Penalties Fund payable to the LWDA under Section 7(b)(v)(A) of this Agreement shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income.

(iii) **Payments to the Settlement Group.** Individual Settlement Awards shall be deemed to consist entirely of civil penalties recovered under PAGA and subject to treatment as IRS Form 1099 income. Accordingly, an IRS Form 1099 will be issued to each Settlement Group Member in connection with his or her Individual Settlement Award if it is \$600 or more.

(d) **Tax Indemnification.** Plaintiffs, Plaintiffs' Counsel, Settlement Group, and applicable governmental authorities (including the LWDA) are solely responsible for all tax obligations, including all reporting and payment obligations, attributable to them that may arise as a consequence of this Agreement and the payment of the amounts set forth above in Section 7(b). Neither Defendant nor Defendant's counsel make any express or implied promise, representation, or warranty regarding the tax consequences or tax treatment under federal or state tax laws for any sum paid pursuant to this Agreement.

8. **Distribution of Settlement Payments.**

(a) **Funding of Settlement by Defendant.** Within fifteen (15) calendar days of the Effective Date, Defendant shall deposit \$448,420 with the Settlement Administrator.

(b) **Timing of Payment by Settlement Administrator.** Within fourteen (14) calendar days of the funding of the Settlement by Defendant, the Settlement Administrator will issue the payments required by Section 7 of this Agreement to the appropriate entities or persons. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual Settlement Awards.

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(c) **Payment of Individual Settlement Awards.**

(i) Within fifteen (15) calendar days of the Effective Date, Defendant shall provide to the Settlement Administrator a list of Settlement Group Members that identifies each of their Social Security Numbers, last known addresses, home telephones and phone numbers, and number of pay periods actively worked for Defendant during the Settlement Period. Defendant agrees to consult with the Settlement Administrator as required to provide the list in a format reasonably acceptable for the performance of the duties of the Settlement Administrator. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, take adequate safeguards to protect confidential or private information and return or certify the destruction of the information upon completion of the Settlement Administration process. The list of Settlement Group Members shall not be shared with Plaintiffs or Plaintiffs' Counsel.

(ii) Individual Settlement Awards will be paid in the form of a check delivered to each Settlement Group Member at the last known address on file with Defendant or as updated by the Settlement Administrator. Each Individual Settlement Award will be accompanied by an explanatory letter in English and Spanish, mutually approved by the Parties, substantially in the form attached hereto as **Exhibit A**.

(iii) Individual Settlement Award checks will remain negotiable for one hundred twenty (120) calendar days after the date of their issuance ("Check Stale Date"). Any Individual Settlement Award checks that are not cashed, deposited, or negotiated after the Check Stale Date will be void, and the amount of those checks will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

(iv) Any checks to the Settlement Group returned as undeliverable on or before the Check Stale Date will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address using a skip trace or other reasonable method and will then perform a single remailing. Any Settlement Group Member who cannot be located after the above procedures are followed will continue to be bound by this Agreement, but the funds associated with his or her Individual Settlement Award will be directed to the California State Controller for deposit in the Unclaimed Property Fund in the name of the employee.

9. **Releases.**

(a) **Release of PAGA Claims.** This Agreement and the judgment to be entered by the Court following this Agreement forever bar Plaintiffs, LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all allegedly aggrieved employees, from pursuing any action against Defendant under PAGA based on or arising out of violations of Labor Code sections alleged in the Lawsuit, and claims that could have been asserted in the Lawsuit based upon the facts alleged in the operative complaint and PAGA Notice through the end of the Settlement Period ("Released Claims"). The Released Claims include, but are not limited to, claims under the PAGA for civil penalties for alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558,

1174(d), 1194, 1197, 1197.1, 1198, 1198.5, 2800, and 2802; and claims for attorneys' fees, costs, or interest resulting therefrom.

10. **Escalator Clause.** This Agreement was reached based on a total number of 12,812 Workweeks worked by Settlement Group Members in the Settlement Period. If the number of workweeks as of the end date of the Settlement Period exceeds this figure by more than five percent (5%) (13,453 workweeks), Defendant will add \$35.00 to the Gross Settlement Amount for each workweek added above 13,453.

11. **Dismissal.** Upon the Court's approval of this Agreement and payment of all sums required by this Agreement, Plaintiffs shall file a request for dismissal of the Lawsuit in its entirety as to Defendant with prejudice. Pursuant to Code of Civil Procedure section 664.6, the Court shall retain jurisdiction to enforce the terms of this Agreement.

12. **Acknowledgement of Fair and Reasonable Settlement.** The Parties have arrived at this Agreement after arm's-length negotiations between experienced counsel. Each of the Parties acknowledges, agrees, and believes this Agreement is a fair, adequate, and reasonable settlement of the Lawsuit. The Parties further acknowledge they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement. Each Party to this Agreement agrees and represents it has investigated the facts relevant to this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary. The Parties agree this Agreement reflects their good faith compromise of the claims raised in the Lawsuit based on their assessment of the mutual risks and costs of further litigation and the assessments of their counsel.

13. **Authority to Enter the Agreement.** Each Party represents and warrants it has the right and authority to execute this Agreement.

14. **Ownership of Claims.** The Parties represent they have not transferred or assigned, or purported to transfer or assign, to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

15. **Authorization of Counsel.** Counsel for all Parties warrant and represent they are authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate its terms.

16. **Attorneys' Fees.** Except as set forth in this Agreement, each side shall bear its own costs and attorneys' fees.

17. **Confidentiality.** Except as provided below to the extent necessary to effectuate the settlement or as required by court or legal process, the Parties and their counsel will keep confidential the facts relating to the existence of this Agreement, negotiations leading to the execution of this Agreement, terms of this Agreement, and alleged factual basis for Plaintiffs' claims, if any. Neither the Parties nor their counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless

ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiffs' Counsel may reference the Action only by name and case number in a declaration establishing adequacy as class or representative counsel.

18. **Duty to Cooperate.** Each Party agrees it will abide by this Agreement and that the Parties and their counsel will cooperate with each other to effect the implementation of this Agreement. The Parties pledge their good faith and fair dealing in supporting the approval of this Agreement by the Court, including, but not limited to, fully documenting the settlement, completing or filing any other documents or pleadings, arguing that the terms and conditions agreed upon should be enforced fully, commencing any required action (either in court or in arbitration), jointly appealing and/or otherwise exhausting judicial review of any adverse ruling, etc. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the mediator who facilitated the negotiation of this Agreement. If the Parties cannot resolve their dispute with the assistance of the mediator, the Parties may seek the assistance of the Court.

19. **Nullification of Agreement.** Defendant's payment of the Gross Settlement Amount shall be subject to the Court granting approval. If the Court fails to grant approval, the Parties shall be returned to their original respective positions as though this Agreement had never been entered into at all, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

20. **Defendant's Option to Revoke.** Should the settlement, or any terms therein, be modified, vacated, altered, or become otherwise subject to challenge by law, including, but not limited to, any law that became effective after the execution of this Agreement, so that this Agreement is not approved by the Court in its entirety and therefore the intent of the Parties cannot be accomplished after jointly taken efforts to enforce it have been exhausted, Defendant shall have the option to revoke this Agreement at its sole discretion.

21. **Severability.** Should any clause or provision of this Agreement be declared illegal or unenforceable, it shall be modified as minimally as necessary to be enforceable. If the provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect.

22. **Governing Law and Interpretation.** This Agreement shall be governed in accordance with the laws of the State of California. The Agreement shall be interpreted in accordance with the plain meaning of its terms and shall not be strictly interpreted for or against any of the Parties to this Agreement. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, the Parties expressly waive the benefit of any legal principle or rule providing that in cases of uncertainty the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

23. **Continuing Jurisdiction of the Court.** Pursuant to Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over the Lawsuit and the Parties to the fullest extent necessary to enforce and effectuate the terms and intent of this Agreement.

24. **Admissibility of Agreement.** The Parties agree this Agreement is admissible for the purposes of proving up and or enforcing the terms of the Agreement, as set forth herein, pursuant to Evidence Code section 1123.

25. **Amendment and Modification.** This Agreement may not be modified, altered, or changed, except by a written instrument signed by either the Parties or their successors-in-interest or counsel for all Parties.

26. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

27. **No Representations.** The Parties acknowledge, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

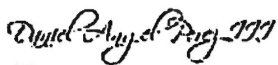
28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures sent by facsimile transmission or scanned e-mail transmission have the same force, validity, and effect as original signatures.

* * *

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: 06/08/2023

Daniel Perez

By: 

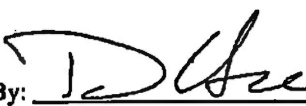
Dated: 06/08/2023

Armando Banuelos

By: 

Dated: 6/8/23

Justice Law Corporation [Approving as to Form Only]

By: 
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Halina Szymanski, Esq.
Attorneys for Plaintiffs

Dated: _____

Laird MFG., LLC

By: _____
On behalf of Laird MFG., LLC

Dated: _____

Berliner Cohen LLP [Approving as to Form Only]

By: _____
Susan E. Bishop, Esq.
Iris C. Chiu, Esq.
Attorneys for Defendant

IN WITNESS WHEREOF, the Parties knowingly and voluntarily accept the terms of this Settlement Agreement and Release by affixing their signatures below.

Dated: _____

Daniel Perez

By: _____

Dated: _____

Armando Banuelos

By: _____

Dated: _____

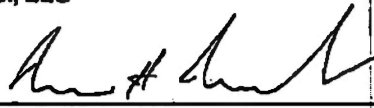
Justice Law Corporation [Approving as to Form Only]

By: _____

Douglas Han, Esq.
Shunt Tatavos-Ghajarajeh, Esq.
Halina Szymanski, Esq.
Attorneys for Plaintiffs

Dated: 6-12-2023

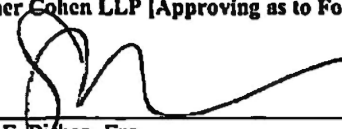
Laird MFG., LLC

By:  _____

On behalf of Laird MFG., LLC

Dated: 6/12/2023

Berliner Cohen LLP [Approving as to Form Only]

By:  _____

Susan E. Bishop, Esq.
Iris C. Chiu, Esq.
Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

Perez, et al., v. Laird MFG., LLC
Superior Court of California, County of Merced
Case No. 22CV-01973

Dear [Settlement Group Member's Name]:

Enclosed with this letter is a settlement check being paid to you pursuant to the settlement of the lawsuit filed in the Superior Court of California, County of Merced, entitled *Perez, et al., v. Laird MFG., LLC*, Case Number 22CV-01973 ("Action"). The purpose of this letter is to provide you with basic information about the Action, the reasons why you are receiving the enclosed settlement check, and the effect of the settlement on your legal rights.

I. The Action

On June 28, 2022, Plaintiffs Daniel Perez and Armando Banuelos ("Plaintiffs"), former employees of Defendant Laird, MFG., LLC ("Defendant"), commenced this Action by filing a complaint pursuant to Labor Code section 2698 (Private Attorneys General Act of 2004 ("PAGA")) in the Superior Court of California, County of Merced ("Operative Complaint") on behalf of the State of California and all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the period from April 19, 2021, through August 18, 2023, otherwise referred to as "Settlement Group Members."

In the Action, Plaintiffs claimed Defendant owed civil penalties under PAGA to Plaintiffs and the Settlement Group Members for alleged violations of the Labor Code. Defendant denies it violated the Labor Code, denies the allegations in the Operative Complaint, and denies all liability under PAGA to Plaintiffs, Settlement Group Members, and State of California.

The merits of the Action have not been determined. However, on [Approval Date], the Superior Court of California, County of Merced, approved a settlement of the Action that Defendant entered to avoid the costs and disruption of litigation.

II. Why This Settlement Check Is Being Sent to You

The settlement approved by the Superior Court of California, County of Merced, on [Approval Date] involves a payment of civil penalties. In accordance with PAGA, seventy-five percent (75%) of the civil penalties paid under the settlement goes to the California Labor Workforce Development Agency. The remaining twenty-five percent (25%) of the civil penalties paid under the settlement will be distributed to all Settlement Group Members. The enclosed settlement check is being sent to you because you have been identified as a Settlement Group Member.

III. How the Amount of Your Settlement Check Was Determined

The enclosed settlement check was calculated based on the total number of pay periods you worked for Defendant from April 19, 2021, through August 18, 2023 relative to all other Settlement Group Members.

Your settlement check will remain negotiable for one hundred twenty (120) calendar days after its mailing. If your settlement check is not cashed, deposited, or negotiated within this timeframe, it will be voided and paid to the California State Controller's Unclaimed Property Fund in your name.

IV. Consequences of the Settlement

The Action was filed exclusively as a representative action under PAGA, which functions as a substitute for an enforcement action by the State of California.

The Court's order and judgment approving the settlement of the Action binds all persons, including nonparty employees, who would be bound by a judgment in an action brought by California itself. As a result, although you are not a "party" to the Action, the judgment entered upon settlement of the Action is binding on you with respect to any claims for civil penalties under PAGA encompassed by the settlement. That is true regardless of whether you choose to cash, deposit, or negotiate the enclosed settlement check.

V. Taxation of Your Individual Settlement Award

You will be issued an IRS Form 1099 in connection with the funds paid to you via the enclosed check if your Individual Settlement Award is \$600 or more. However, you are solely responsible for all tax obligations attributable to you that may arise as a result of receiving the settlement check. If you have any tax-related questions regarding your receipt of the enclosed check, you should direct them your own tax advisor.

VI. Where to Get More Information

Do not call or contact the Superior Court of California, County of Merced, about this letter, settlement, settlement check sent to you, or Action in general. If you have questions about this letter, settlement, settlement check sent to you, or Action in general, you may contact the Settlement Administrator [REDACTED] at [INSERT CONTACT INFORMATION].

Dated: INSERT DATE

EXHIBIT 2

6/20/23, 9:34 AM

Justice Law Corporation Mail - Thank you for your Proposed Settlement Submission



Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Proposed Settlement Submission

1 message

DIR PAGA Unit <lwdadonotreply@dir.ca.gov>

Tue, Jun 20, 2023 at 9:34 AM

To: info@justicelawcorp.com

06/20/2023 09:34:08 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

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PROOF OF SERVICE