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Electronically FILED by
Superior Court of California,
County of Los Angeles
4/26/2024 8:00 PM
David W. Slayton,
Executive Officer/Clerk of Court,
By J. Nunez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JOHN ARIAS, individually, and on behalf of all
others similarly situated; and JEFFREY
HENSLEY, individually, and on behalf of all
others similarly situated,

Plaintiffs,

v.

FLOWSERVE US, INC.; and DOES 1 through
10, inclusive,

Defendants.

Case No. 22STCV27829

CLASS ACTION AND
REPRESENTATIVE ACTION

[Assigned for all purposes to: Hon. Maren E.
Nelson, Dept. 17]

**AMENDED DECLARATION OF NICOL
E. HAJJAR**

1 **AMENDED DECLARATION OF NICOL E. HAJJAR, ESQ.**

2 I, Nicol E. Hajjar, declare as follows:

3 1. I am admitted, in good standing, to practice as an attorney in the State of California,
4 the Ninth Circuit Court of Appeals, and the United States District Courts for the Central District
5 of California. I am an Attorney at Wilshire Law Firm, PLC, counsel of record for Plaintiffs JOHN
6 ARIAS AND JEFFREY HENSLEY and Co-counsel for Plaintiff ESTEBAN ROMO (“Plaintiffs”).
7 I have personal knowledge of the facts set forth in this declaration and could and would
8 competently testify to them under oath if called as a witness. This Declaration is submitted in
9 support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement.

10 **CASE BACKGROUND**

11 2. This is a wage and hour class action and PAGA representative action. Plaintiff and
12 putative class members worked in California as non-exempt employees for Defendant during the
13 class period. Defendant manufactures industrial pumps, valves and seals and operates from
14 multiple locations in California.

15 3. Plaintiffs allege that Defendant’s payroll, timekeeping, and wage and hour practices
16 resulted in Labor Code violations. Plaintiffs allege that Defendant failed to include all
17 remuneration in the employees’ overtime rate and meal and rest period premiums. Plaintiffs further
18 allege that Defendant failed to provide employees with legally compliant meal and rest periods.
19 Plaintiffs also alleged that Defendant failed to reimburse necessary business expenses. Based on
20 these allegations, Plaintiffs assert claims against Defendant for failure to pay minimum and straight
21 time wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and
22 permit rest periods, failure to timely pay all final wages at termination, failure to provide accurate
23 itemized wage statements, unfair business practices, and civil penalties under PAGA.

24 4. On August 24, 2021, Plaintiff Romo filed a representative action against Defendant
25 with a single claim for civil penalties under PAGA, including an additional claim for failure to
26 reimburse all business expenses pursuant to Labor Code §2802. On August 25, 2022, Plaintiffs
27 Hensley and Arias filed a putative wage-and-hour class action complaint against Defendant for:
28 (1) failure to pay minimum and straight time wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and

1 1197); (2) failure to pay overtime wages (Cal. Lab. Code §§ 1194 and 1198); (3) failure to provide
2 meal periods (Cal. Lab. Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods
3 (Cal. Lab. Code §§ 226.7); (5) failure to timely pay final wages at termination (Cal. Lab. Code §§
4 201-203); (6) failure to provide accurate itemized wage statements (Cal. Lab. Code § 226); (7)
5 unfair business practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); and (8) for civil penalties
6 under PAGA.

7 DISCOVERY AND INVESTIGATION

8 5. Following the filing of the Complaint, the Parties informally exchanged documents
9 and information before mediating this action. Defendant produced raw timekeeping and payroll
10 records (i.e. not a sampling) for approximately 283 putative class members in electronic format,
11 covering the time period of April 15, 2019 to December 18, 2022. The data Defendant provided
12 covered approximately 32,537 workweeks and 16,817 pay periods. Defendant also provided
13 documents of their wage and hour policies and practices during the class period, and information
14 regarding the total number of current and former employees.

15 6. After reviewing documents regarding Defendant's wage and hour policies and
16 practices, analyzing Defendant's timekeeping and payroll records, Class Counsel was able to
17 evaluate the probability of class certification, success on the merits, and Defendant's maximum
18 monetary exposure for all claims. Class Counsel also investigated the applicable law regarding
19 the claims and defenses asserted in the litigation. Notably, Defendant maintained a compliant meal
20 period policy in writing however, it's and practices resulted in missed meal periods. . Class Counsel
21 reviewed these records and utilized an expert to prepare a damages analysis prior to mediation.

22 SETTLEMENT NEGOTIATIONS

23 7. On May 26, 2023, the Parties participated in private mediation with experienced
24 class action mediator, Kelly Knight, Esq. The mediation was conducted via Zoom. The settlement
25 negotiations were at arm's length and, although conducted in a professional manner, were
26 adversarial. The Parties went into the mediation willing to explore the potential for a settlement
27 of the dispute, but each side was also prepared to litigate their position through trial and appeal if
28 a settlement had not been reached.

1 8. After extensive negotiations and discussions regarding the strengths and
2 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties were able to reach a
3 resolution, the material terms of which are encompassed within the Memorandum of
4 Understanding ("MOU"). Attached as **Exhibit 1** is a true and correct copy of the MOU.

5 9. The settlement includes \$50,000.00 allocated to Plaintiff's claims under PAGA,
6 with 75% (\$37,500.00) being paid to the LWDA and 25% (\$12,500.00) being paid to the Aggrieved
7 Employees (MOU, ¶ 11.) Class Counsel submitted the proposed settlement to the LWDA before
8 filing this Motion for Preliminary Approval.

9 10. The Memorandum of Understanding provides that Defendant will not oppose a fee
10 application of up to 33 1/3% (\$333,000.00) of the Settlement Amount, plus actual out-of-pocket
11 Litigation costs not to exceed \$20,000.00. (MOU ¶ 10.)

12 11. I requested numerous bids from experienced class action settlement administrators
13 to handle the responsibilities of the Settlement Administrator under this settlement. The Parties
14 accepted the bid of CPT Group Class Action Administrators ("CPT Group"). In its bid, CPT Group
15 agreed to cap its costs at \$8,500.00 if there are 283 class members or less. On October 26, 2023,
16 CPT Group provided an updated bid for 317 Class Members. The bid also provides that class
17 notice will be provided in English and Spanish. A true and correct copy of the bids, both original
18 bid and the updated bid, are attached hereto as **Exhibit 2**. CPT was selected by the Parties to
19 provide administration services for this Settlement. According to the Declaration of Julie Green on
20 Behalf of CPT Group, as described by ¶ 10, CPT holds \$2,000,000 in Errors and Omissions
21 insurance, \$1,000,000 in Crime/Fidelity insurance, and \$5,000,000 in cyber insurance. Attached
22 as **Exhibit 6** is a true and correct copy of the Declaration of Julie Green on Behalf of CPT Group.

23 12. The parties continued to engage in settlement discussions and worked together to
24 draft a long-form settlement agreement, entitled CLASS ACTION AND PAGA SETTLEMENT
25 AGREEMENT. Attached as **Exhibit 3** is a true and correct copy of the Class Action and PAGA
26 Settlement Agreement. On April 8, 2022, Plaintiffs Arias and Hensley provided notice of Labor
27 Code Violations and PAGA Penalties to the LWDA via Online Submission. Attached as **Exhibit**
28 **7** is a true and correct copy of the PAGA Notice Letter and the confirmation of receipt for LWDA

Case No. LWDA-CM-877859-22 from the LWDA. Attached as **Exhibit 10** is a true and correct copy of Plaintiff Esteban Romo's submission of his PAGA notice letter to the LWDA.

13. On June 13, 2023, the Court in the above-entitled action Related the *Romo v. Flowserve US, Inc.*, Case No. 22STCV27551. Counsel for the *Romo* case, Justin Lo, who is co-counsel in the present matter, as well as Plaintiff Esteban Romo, demonstrated their agreement with the settlement by signing the MOU and Settlement Agreement. Attached as **Exhibit 4** is a true and correct copy of the Declaration of Justin Lo in Support of Plaintiffs' Motion for Preliminary Approval of Class and Representative Action Settlement in Related Case. The representative Plaintiffs, *i.e.* Hensley, Arias, and Romo, have signed declarations attesting to their unique participation beyond the expected services of a class representative. Attached as **Exhibit 5** are true and correct copies of the Declaration of Hensley, the Declaration of Arias, and the Declaration of Romo.

THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

14. Class Counsel has conducted a thorough investigation into the facts of this case. Based on the foregoing discovery and their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light of all known facts and circumstances, the risk of significant delay, the defenses that could be asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

15. Based on an analysis of the facts and legal contentions in this case, documents and information from Defendant, I evaluated Defendant's maximum exposure. I took into account the risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are certified. After using the data Defendant provided, including raw timekeeping and payroll records (*i.e.*, not a sampling) for approximately 283 putative class members in electronic format, as well as class member demographics (*i.e.*, the number of class members, workweeks, and average total compensation of the class), with the assistance of a statistics expert, I created a damages model to evaluate the realistic range of potential recovery for the class. The damages model is based on the following benchmarks:

Total Class Members: 317
Terminated Class Members during 3-year statute: 246
Total Workweeks: 42,034
PAGA Pay Periods: 8,002
Avg. Hourly Rate: \$33.12
Class period: August 25, 2018 through the date of preliminary approval

16. Plaintiffs allege that Defendant required them and similarly situated class members to work in lieu of taking meal periods, and Defendant lacked legally compliant policies and practices providing meal periods for the entirety of the class period. My expert analyzed Defendant's timekeeping records and found that approximately 77.8% of all meal breaks had alleged violations of short, missed, or no meal periods. Potential liability for the meal period claim, factoring in the premiums issued to off-set the remaining premiums owed, which includes shifts 5-6 hours long, shifts over six hours long, shifts over ten hours long, and shifts over 12 hours long is \$5,835,869.00, including interest; however, I discounted this figure by 80% to account for the difficulty of certifying and proving meal period claims, especially in light of the federal enclave exemption, and to account for the possibility of class members voluntarily choosing to forego a meal period, yielding a realistic damage estimate of **\$1,167,173.80**. Notably, Defendant maintained a compliant meal period policy in writing however, its and practices resulted in missed meal periods. .

17. With respect to the rest period claim, Plaintiffs allege that Defendant required him and similarly situated class members to work in lieu of taking rest periods, and Defendant lacked legally compliant policies and practices authorizing and permitting employees to take uninterrupted, off-duty rest periods for the entirety of the class period. Assuming a 50% violation rate for the entirety of the class period based on Plaintiff's and other class members' experience working for Defendant, Defendant's potential liability for the rest period claim is \$3,205,668.00; however, I discounted this figure by 80% to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of class members voluntarily choosing to forego a rest period, yielding a realistic

1 damage estimate of **\$641,133.60**.

2 18. With respect to Plaintiff Romo's reimbursement claim, Plaintiff alleged that
3 Defendant required employees to work remotely, and resulted in employees purchasing monitors,
4 keyboards, printers, using their remote location internet connection to perform required duties on
5 behalf of Defendant, and using their personal cell phones. During the course of informal discovery,
6 Defendant provided me with information supporting that Plaintiff Romo and other similarly
7 situated employees were essential workers and required to report to work at Defendant's facilities
8 – even throughout the pandemic. Further, Defendant provided Plaintiff Romo with a company-
9 issued laptop and cell phone, and was the only person with his job title and job duties. Accordingly,
10 Plaintiff and other employees did not have to incur any business-related expenses to perform their
11 respective duties. For these reasons, I discounted this claim by 100% to account for the difficulty
12 of certifying and proving reimbursement claims.

13 19. With respect to Plaintiffs and the class member's maximum recovery for unpaid
14 minimum and overtime wages, Plaintiffs evaluated the unpaid minimum and overtime wages by
15 applying a rounding analysis which combines the minimum wage and overtime claims. Plaintiffs
16 estimated \$499,301 as the total amount for unpaid overtime wages. However, great caution was
17 exercised to avoid counting the unpaid minimum wages which were previously accounted for in
18 calculations for Defendant's failure to pay for all hours worked.

19 20. In sum, Plaintiffs and the class member's maximum recovery for the unpaid wages
20 and expenses based on the alleged failure to pay for all hours worked (minimum, straight time, and
21 overtime wages), failure to provide premiums for all meal and rest period violations is **\$9,041,537**,
22 but, **after factoring in the risk and uncertainty of prevailing at certification and trial,**
23 **Plaintiffs' realistic estimated recovery for the non-penalty claims is \$1,808,307.40.**

24 21. With respect to Plaintiffs' derivative claims for statutory and civil penalties,
25 Plaintiffs estimated that Defendant's realistic potential liability is \$2,013,313. While Defendant's
26 maximum potential liability for waiting time penalties is \$1,225,413.00 based on approximately
27 137 terminated class members during the 3-year statute, \$787,900.00 for inaccurate wage
28 statements based on approximately 246 class members who worked 8,002 pay periods within the

1 1-year statute, and \$800,200.00 for PAGA violations based on the Court assessing a \$100 penalty
2 for initial violations for all 8,002 pay periods within the 1-year statute, I believe that it would be
3 unrealistic to expect the Court to award the full \$2,013,313.00 in penalties given Defendant's
4 defenses, the contested nature of Plaintiffs' claims, and the discretionary nature of penalties. To
5 derive realistic estimates for each of the statutory and civil penalties, I weigh the above factors,
6 and apply a discount to account for the risk and uncertainty of prevailing at trial. As such, doing
7 so would bring the realistic potential liability for waiting time penalties down from \$1,225,413.00
8 to \$245,082.60, the realistic potential liability for inaccurate wage statements from \$787,900.00 to
9 \$157,580. Considering that the underlying claims are realistically estimated to be \$1,808,307.40,
10 such a disproportionate award would also raise due process concerns. Weighing these factors, and
11 applying a discount to account for the risk and uncertainty of prevailing at trial, I arrived at
12 **\$402,662.60** for statutory and civil penalties.

13 22. **Using these estimated figures, Plaintiffs predicted that the realistic maximum**
14 **recovery for all claims, including penalties, would be \$2,210,970.00. This means that the**
15 **\$1,000,000.00 settlement figure represents approximately 45% of Plaintiffs' assessment of**
16 **the realistic maximum recovery (\$1,000,000/ \$2,210,970= 45.2%)** Considering the risk and
17 uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.
18 Indeed, because of the proposed Settlement, class members will receive timely, guaranteed relief
19 and will avoid the risk of an unfavorable judgment.

20 23. While Plaintiffs are confident in the merits of their claims, a legitimate controversy
21 exists as to each cause of action. Plaintiffs also recognize that proving the amount of wages due
22 to each Class Member would be an expensive, time-consuming, and uncertain proposition.

23 24. This settlement avoids the risks and the accompanying expense of further litigation.
24 Although the Parties had engaged in a significant amount of investigation, informal discovery and
25 class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiffs
26 intended to depose corporate officers and managers of Defendant. Moreover, preparation for class
27 certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a
28 disputed class certification ruling for Plaintiffs and/or adverse summary judgment ruling. Had the

1 Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties
2 would incur considerably more attorneys' fees and costs through trial.

3 25. The Net Settlement Amount available for Class Member settlement payments is
4 estimated to be \$589,000.00, for a class of 317 persons.¹ **As a result, each Settlement Class**
5 **Member is eligible to receive an average net benefit of approximately \$1,858.04.**

6 26. The proposed settlement of \$1,000,000.00 therefore represents a substantial
7 recovery when compared to Plaintiffs' reasonably forecasted recovery. When considering the risks
8 of litigation, the uncertainties involved in achieving class certification, the burdens of proof
9 necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the
10 settlement amount of \$1,000,000.00 is within the "ballpark" of reasonableness, and preliminary
11 settlement approval is appropriate.

12 THE PAGA ALLOCATION IS FAIR, JUST, AND REASONABLE

13 27. Given the strengths and weaknesses of the Plaintiffs' PAGA claims as evaluated by
14 experienced counsel, the procedural history, the arms-length negotiation of the Class and PAGA
15 settlements with an experienced mediator, the fact that the LWDA has not objected to the
16 settlement, to date, after notice was given, and that the allocated amount of \$50,000.00 in PAGA
17 penalties serves the purpose of the PAGA statute, the Court should find that the PAGA settlement
18 allocation is fair, just and reasonable under Moniz.

19 28. The settlement includes \$50,000.00 allocated to Plaintiffs' claims under PAGA,
20 with 75% of which (\$37,500.00) will be paid to the LWDA and 25% of which (\$12,500.00) will
21 be paid to the Aggrieved Employees, as stated below from ¶3.2.5 of the Class Action and PAGA
22 Settlement Agreement.

23 29. The \$50,000.00 PAGA allocation out of the \$1,000,000.00 is appropriate
24 considering Class Counsel's evaluation, based on Counsel's investigation, of the potential
25 maximum value of the claim (\$1,225,413.00 for the PAGA period leading to mediation), the more

26
27 ¹ The Net Settlement Amount is: \$1,000,000.00 minus \$333,000.00 for Class Counsel's
28 attorneys' fees, minus approximately \$20,000.00 for Class Counsel's litigation expenses, minus
approximately \$8,500.00 in administration costs, minus \$37,500.00 for the PAGA portion sent to
the LWDA, and minus \$15,000.00 for the class representative service awards.

1 reasonable value of the claim (\$402,662.60 with the 80% discount on the maximum value factoring
2 into account that such penalties are discretionary and issues with the underlying claims), with
3 further reduction to consider given that the PAGA were not part of the case at the time the case
4 was mediated.

5 30. On October 12, 2023, Plaintiffs Arias and Hensley provided the proposed settlement
6 to the LWDA via Online Submission. Attached as **Exhibit 8** is a true and correct copy of the
7 proposed settlement and the confirmation of receipt for LWDA Case No. LWDA-CM-877859-22
8 from the LWDA.

9 31. Plaintiffs will continue to fully and adequately comply with the notice requirements
10 of California Labor Code section 2699(1).

11 32. Given these considerations, Plaintiffs submit that the \$50,000.00 PAGA allocation
12 out of the \$1,000,000.00 settlement amount, is fair, just, and reasonable under *Moniz*.

13 **ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE**

14 33. Class Counsel represent that Plaintiffs devoted a great deal of time and work
15 assisting counsel in the case, communicated with counsel very frequently for litigation and to
16 prepare for mediation, and was frequently in contact with Class Counsel during the mediation.
17 Plaintiffs' requested enhancement award is reasonable particularly in light of the substantial
18 benefits Plaintiffs generated for all class members.

19 34. Throughout this litigation, Plaintiffs, who are former employees of Defendant, has
20 cooperated immensely with my office and has taken many actions to protect the interests of the
21 class. Plaintiffs provided valuable information regarding unpaid overtime, meal period, and rest
22 period claims. Plaintiffs also informed my office of developments and information relevant to this
23 action, participated in decisions concerning this action, made themselves available to answer
24 questions during the mediation, and provided my office with the names and contact information of
25 potential witnesses in this action. Before we filed this case, Plaintiffs provided my office with
26 several documents, including policy documents, and communications from Defendant regarding
27 the claims alleged in this action. The information and documentation provided by Plaintiffs was
28 instrumental in establishing the wage and hour violations alleged in this action, and the recovery

provided for in the Settlement Agreement would have been impossible to obtain without Plaintiffs' participation.

35. At the same time, Plaintiffs faced many risks in adding themselves as the class representatives in this matter. Plaintiffs faced actual risks with their future employment, as putting themselves on public record in an employment lawsuit could also very well affect their likelihood for future employment. Furthermore, as part of this settlement, Plaintiffs are executing a general release of all claims against Defendant.

36. In turn, class members will now have the opportunity to participate in a settlement, reimbursing them for alleged wage violations they may have never known about on their own or been willing to pursue on their own. If these class members would have each tried to pursue their legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, which were obviated by Plaintiffs putting themselves on the line on behalf of these other class members.

37. In the final analysis, this class action would not have been possible without the aid of Plaintiffs, who put their own time and effort into this litigation, sacrificed the value of their own individual claims, and placed themselves at risk for the sake of the class members. The requested enhancement award for Plaintiffs for their service as the class representatives and for their general release of all individual claims is a relatively small amount of money when the time and effort put into the litigation are considered and in comparison to enhancements granted in other class actions. The requested incentive award is therefore reasonable to compensate Plaintiffs for their active participation in this lawsuit.

THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

38. The Settlement provides for attorney's fees payable to Class Counsel in an amount up to one-third (33 1/3%) of the Settlement Amount, for a maximum fees award of \$333,000.00, plus actual costs and expenses not to exceed \$20,000.00. The proposed award of attorneys' fees to Class Counsel in this case can be justified under either method – lodestar or percentage recovery. Class Counsel, however, intend to base the proposed award of fees, costs and expenses on the percentage method as many of the entries in the time records will have to be redacted to preserve

1 attorney-client and attorney work product privileges.

2 39. I am informed and believe that the fee and costs provision is reasonable. The fee
3 percentage requested is less than that charged by my office for most employment cases. My office
4 invested significant time and resources into the case, with payment deferred to the end of the case,
5 and then, of course, contingent on the outcome.

6 40. It is further estimated that my office will need to expend at least another 50 to 100
7 hours to monitor the process leading up to the final approval and payments made to the class. My
8 office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

9 41. The risk to my office has been very significant, particularly if we would not be
10 successful in pursuing this class action. In that case, we would have been left with no compensation
11 for all the time taken in litigating this case. Indeed, I have taken on a number of class action cases
12 that have resulted in thousands of attorney hours being expended and ultimately having
13 certification denied or the defendant company going bankrupt. The contingent risk in these types
14 of cases is very real and they do occur regularly. Furthermore, we were precluded from focusing
15 on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

16 42. Because most individuals cannot afford to pay for representation in litigation on an
17 hourly basis, Wilshire Law Firm, PLC represents virtually all of its employment law clients on a
18 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
19 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
20 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or
21 her case, we cannot afford to represent an individual employee on a contingency basis if, at the
22 end of our representation, all we are to receive is our regular hourly rate for services. It is essential
23 that we recover more than our regular hourly rate when we win if we are to remain in practice so
24 as to be able to continue representing other individuals in civil rights employment disputes.

25 43. As of the drafting of Plaintiffs' Motion for Preliminary Approval of Class Action
26 Settlement, my office has incurred around \$14,243.26 in expenses litigating this action, and we
27 anticipate accruing additional costs up to Final Approval of the Settlement. These expenses were
28 reasonably necessary to the litigation and were actually incurred by my office. They should be

1 reimbursed in full, up to the maximum amount allowed in the Settlement Agreement.

2 MY EXPERIENCE AND QUALIFICATIONS

3 44. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
4 Report as one of the nation's Best Law Firms in 2022 and is comprised of over 50 attorneys and
5 over 250 employees. Wilshire Law Firm, PLC is actively and continuously practicing in
6 employment litigation, representing employees in both individual and class actions in both state
7 and federal courts throughout California.

8 45. Wilshire Law Firm, PLC is qualified to handle this litigation because its attorneys
9 are experienced in litigating Labor Code violations in both individual, class action, and
10 representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling,
11 numerous wage and hour class action lawsuits, as well as class actions involving consumer rights
12 and data privacy litigation.

13 46. My practice is focused on advocating for the rights of employees in class action
14 litigation and individual state and federal litigation. I am currently the primary attorney in charge
15 of litigating several class actions.

16 47. I was selected to serve on CAOC's Board of Directors in 2020, 2021, 2022, 2023,
17 and 2024 and I am an active member of CAALA and CELA. I sit on CELA's women's committee
18 and wage and hour committee and I was selected to speak at CELA's 2020 Advanced Wage &
19 Hour Seminar. Further, I have extensively litigated employment cases for the past eight years,
20 including a successful wage and hour trial wherein the jury awarded Plaintiff wage and hour
21 damages and Plaintiff was awarded PAGA penalties.

22 48. I have received numerous awards for my legal work. The National Trial Attorneys
23 selected me as a "Top 10 Wage and Hour Trial Lawyer," and a "Top 40 Under 40" attorney. Super
24 Lawyers selected me as one of their "Rising Stars" every year since 2018.

25 49. My current contingent billing rate of \$850 per hour is consistent with my practice
26 area, numerous awards received, legal market and accepted hourly rates.

27 WILSHIRE LAW FIRM'S EXPERIENCE AND QUALIFICATIONS

28 50. Elizabeth M. Votra is a sixth-year Attorney at Wilshire Law Firm, PLC. She was

1 admitted to practice law in the State of California and the Central, Southern, Eastern, and Northern
2 Districts of California. She graduated from Florida State University, with a Bachelor of Arts in
3 English Literature, and received her Juris Doctor from California Western School of Law. During
4 law school, she completed externships with two trial court judges in Nevada and Florida, and she
5 was a student mediator at the San Diego Superior Court, North County Division. Since graduating
6 law school, she has focused her legal work exclusively on Plaintiff's employment litigation
7 including both FEHA individual and wage and hour class action litigation. Before joining Wilshire
8 Law Firm, she practiced in a respected wage-and-hour law firm where she worked on dozens of
9 class actions. She has three years of experience in wage-and-hour class action cases. Her current
10 contingent billing rate for this case is \$450 per hour, which is consistent with her level of
11 experience in the wage and hour arena.

12 51. Lauren A. Moorehead is a paralegal at Wilshire Law Firm with six years of
13 experience working at law firms, including over three years of experience working on civil
14 litigation cases. She is a graduate of West Los Angeles College *summa cum laude* with an associate
15 degree in paralegal studies.

16 NO INTEREST IN THE CY PRES RECIPIENT, LEGAL AID FOUNDATION
17 OF LOS ANGELES

18 52. Plaintiffs ARIAS, HENSLEY and ROMO do not have any interest, financial or
19 otherwise, in the proposed *cy pres* recipient, Legal Aid Foundation of Los Angeles. Attached as
20 **Exhibit 11** is a true and correct copy of the Declaration of Arguleta Re: *Cy Pres* Funds.

21 53. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
22 employed at the law firm) has any interest, financial or otherwise, in the proposed *cy pres* recipient,
23 Legal Aid Foundation of Los Angeles at 1550 W. 8th Street, Los Angeles, CA 90017.

24 54. Wilshire Law Firm, PLC has a fee-splitting agreement with counsel in the *Romo*
25 case, Justin Lo, Esq., of Work Lawyers, P.C. Attached as **Exhibit 9** is a true and correct copy of
26 Plaintiffs' ARIAS, HENSLEY and ROMO consent in writing to the fee sharing agreement between
27 the Class Counsel firms.

28 I declare under penalty of perjury under the laws of the State of California and the United

1 States that the foregoing is true and correct.

2 Executed on April 26, 2024, at Los Angeles, California.

3
4 

5 _____
Nicol E. Hajjar

EXHIBIT 1

MEMORANDUM OF UNDERSTANDING (“MOU”)

1. This MOU is entered into by and between the parties to the actions entitled *John Arias and Jeffrey Hensley, et al v. Flowserve US, Inc.*, Los Angeles County Superior Court Case No. 22STCV27829, and *Esteban Romo, et al v. Flowserve US, Inc.*, Los Angeles County Superior Court Case No. 22STCV27551. It memorializes the settlement reached at the mediation on May 26, 2023 by the parties. It confirms the essential terms of the settlement and assists in preparation of a full, comprehensive Settlement Agreement. This MOU is enforceable by, binding on, admissible, and subject to disclosure by all parties.
2. The parties intend to enter into a more formal “long form” agreement whose terms are not inconsistent with the terms of this MOU, but if they fail to execute a more formal agreement, this agreement will be final, binding and enforceable pursuant to California Code of Civil Procedure section 664.6. The parties shall have 45 days from the date of this agreement to prepare a “long form” settlement agreement. In the event that the parties do not complete that “long form” agreement within 45 days, either party may move for preliminary approval of this class action settlement on the basis of the terms set forth in this MOU. In that event, the party moving for preliminary approval will propose customary terms and procedures for the notice process and settlement administration, and is also entitled to attorney’s fees and costs associated with enforcing the MOU.
3. Plaintiffs’ counsel agrees to draft the preliminary and final approval motions for approval by Defendants’ counsel. The parties stipulate to class certification for purposes of settlement only.
4. Defendants shall pay a maximum amount (“Maximum Settlement Amount”) of \$1,000,000 in full and complete settlement of this matter, which sum includes all attorneys’ fees and costs, administration costs, enhancement award to the class representatives, and payment to the California Labor and Workforce Developmental Agency. No money will revert to Defendant. The balance after deduction of attorneys’ fees and costs, administration costs, an enhancement award, and payment to the California Labor and Workforce Developmental Agency, will be the Net Settlement Amount. Defendant’s employer taxes shall be paid separately and in addition to the Maximum Settlement Amount.
5. All class members who do not opt-out will release Defendant from any and all claims asserted in the operative complaint, and any future amendments to the operative complaint, including but not limited to state wage and hour claims for any and all violations of California’s Labor Code and Unfair Competition Law based on Defendant’s failure to pay for all hours worked (including minimum wages, straight time wages, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay all wages due at the time of termination, failure to furnish accurate, itemized wage statements, civil penalties under California’s Private Attorneys General Act of 2004 based on the alleged Labor Code violations, and all damages, interest, penalties, attorneys’ fees, costs, and other amounts recoverable under said causes of action under California law, to

the extent permissible, including but not limited to the California Labor Code and the applicable Wage Orders.

6. The Settlement Class Members are all persons who worked for any Defendant in California as an hourly paid or non-exempt employee during the Class Period, as defined below.
7. The Class Period starts on August 25, 2018 and shall end upon Court final approval. The PAGA Period starts from August 24, 2021 through the date of final approval.
8. Defendant will not oppose a request by Plaintiffs John Arias, Jeffrey Hensley, and Esteban Romo to be appointed the Class Representative and for an enhancement payment of up to \$5,000, per Plaintiff Representative, in exchange for his/their service as the Class Representatives. This amount is paid from the Maximum Settlement Amount and is in addition to the payment to which Plaintiffs are entitled as a Class Member. Even in the event that the Court reduces or does not approve the requested Class Representative's enhancement payment, Plaintiffs shall not have the right to revoke this MOU or this settlement, and it will remain binding. In exchange for the enhancement payment, Plaintiffs John Arias, Jeffrey Hensley and Esteban Romo agree to a full and complete release of any claims that they, and each of them, may have arising out of their employment with Defendant, including a Civil Code section 1542 release.
9. \$50,000 of the Maximum Settlement Amount is allocated for violations of PAGA, 75% of which (\$37,500) will be paid to the Labor and Workforce Development Agency and 25% (\$12,500) will be paid to the Class.
10. Defendant will not oppose an application for an award of attorneys' fees to counsel for Plaintiff, from the Maximum Settlement Amount, of up to 33 1/3% of the Maximum Settlement Amount (\$330,000), plus actual costs and expenses up to \$20,000 as supported by declaration. Even in the event that the Court reduces or does not approve the requested award to Plaintiff's counsel for attorney's fees and costs, Plaintiff's counsel shall not have the right to revoke this MOU or this settlement, and it will remain binding.
11. The Maximum Settlement Amount includes all administrative costs. The Parties will not oppose an application of up to \$30,000 of the Maximum Settlement Amount to the Settlement Administrator for claims administration costs and fees. Fees of the Settlement Administrator shall be paid out of the Maximum Settlement Amount. The parties agree to select a mutually agreeable Settlement Administrator. The Settlement Administrator shall be responsible for payment of all payments to the Settlement Class, and shall be responsible for all appropriate withholding disbursement of taxes, and compliance with all reporting obligations.
12. Settlement Class Members will not be required to submit a claim form to participate in the settlement. The Class will receive a Notice containing instructions on how to opt-out or object to the settlement.

- a. Individual settlement payments will be proportionally based on compensable workweeks.
 - b. The Class Notice will contain the estimated individual settlement payment and dates of employment.
 - c. Class Members who submit timely requests to opt out of the settlement within 60 days of the Settlement Administrator mailing the Class Notice will not participate in the settlement and will not be bound by the terms of the proposed settlement or the final judgment.
13. Settlement checks will be valid for 180 days, and all funds remaining from uncashed checks after 180 days shall be handled pursuant to California Code of Civil Procedure section 384. The parties select Legal Aid Foundation of Los Angeles (LAFLA) as the *cy pres* recipient. If the Court does not approve the *cy pres* designee, the parties shall select a new *cy pres* designee, with approval by the Court. Any Class Member who does not opt-out will be nevertheless bound by the terms of the agreement regardless of whether he or she cashes the check.
14. The settlement payment for each individual claimant shall be allocated 1/3 as wages, 1/3 as penalties and 1/3 as interest. The Settlement Administrator will be responsible for issuing all tax documents to Class Members.
15. Defendants' best estimate of the Settlement Class size is 317 persons. If, as of the end of the Class Period, the actual Class size is more than 10% of this estimate (i.e., 347 or more Class Members), the Maximum Settlement Amount shall be increased by the average gross payout to individual Class Members based on 347 Class Members. For example, if the average payout based on 317 Class Members is \$1,000 per Class Member and there are 30 additional Class Members (347 total Class Members), Defendants will increase the Maximum Settlement Amount by \$30,000.00. The Maximum Settlement Amount will not be reduced due to Defendant's estimate.
16. All Class Members who have not validly opted out by the stated time period will be subject to the Release and all other terms of the settlement.
17. The parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Counsel for Plaintiff reserves the right to encourage Class Members to participate in the settlement.
18. Defendant expressly deny any liability. Neither this MOU nor the "long form" Settlement Agreement shall constitute an admission of liability or the accuracy of any allegation made by Plaintiff or his counsel.
19. Any settlement shall remain confidential until a motion for preliminary approval is filed with the court.

This agreement is executed by the parties and their duly authorized attorneys as of the day and year set forth below:

IT IS SO AGREED.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: 5/26/2023, 2023

DocuSigned by:

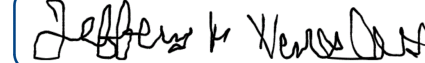


John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: 5/26/2023, 2023

DocuSigned by:



Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: _____, 2023

Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: _____, 2023

Name:
Title:

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: 5/26/2023, 2023

DocuSigned by:



Nicol E. Hajar, Esq.
Elizabeth M. Votra, Esq.
Attorneys for Plaintiffs and the Class

This agreement is executed by the parties and their duly authorized attorneys as of the day and year set forth below:

IT IS SO AGREED.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: _____, 2023

Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: 5/26/2023, 2023

DocuSigned by:



Name: Hisham Masri

Title: Employment Counsel

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: _____, 2023

Nicol E. Hajjar, Esq.
Elizabeth M. Votra, Esq.
Attorneys for Plaintiffs and the Class

This agreement is executed by the parties and their duly authorized attorneys as of the day and year set forth below:

IT IS SO AGREED.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: 5/26/2023, 2023

DocuSigned by:

5EA779428FF0428...

Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: _____, 2023

Name:
Title:

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: _____, 2023

Nicol E. Hajjar, Esq.
Elizabeth M. Votra, Esq.
Attorneys for Plaintiffs and the Class

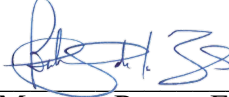
WORK LAWYERS, PC

Dated: _____, 2023

Justin Lo, Esq.
Attorneys for Plaintiff Esteban Romo

SANCHEZ & AMADOR LLP

Dated: May 26, 2023



Marytza Reyes, Esq.
Brittaney de la Torre, Esq.
Jamie Rudman, Esq.
Attorneys for Defendant, Flowserve US, Inc.

Dated: 5/26/2023, 2023

WORK LAWYERS, PC

DocuSigned by:
Justin Lo

Justin Lo, Esq.
Attorneys for Plaintiff Esteban Romo

Dated: _____, 2023

SANCHEZ & AMADOR LLP

Marytza Reyes, Esq.
Brittaney de la Torre, Esq.
Jamie Rudman, Esq.
Attorneys for Defendant, Flowserve US, Inc.

EXHIBIT 2

CASE NAME: FLOWSERVE US, INC.

Date: October 24, 2023

Requesting Attorney: Elizabeth Votra

Plaintiff or Defense: Plaintiff

Firm Name: Wilshire Law Firm, PLC

Telephone: (213) 381-9988 Ext.452

Email: evotra@wilshirelawfirm.com

All-In Settlement

Class Size: 317

Opt-Out Rate: 1.5%

No. of Checks Issued: 312

Postage Total: \$517.84

Grand Total: \$12,148.89

DISCOUNTED FLAT FEE: \$8,500.00

The services and numbers reflected herein are an estimate provided by counsel. If the actual services and number are different, our cost estimate will change accordingly.

The attached Terms and Conditions are included as part of our cost proposal. By accepting our costs proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

Upon Intake of the Data, CPT will Scrub all Records to a Useable Format to Reduce Duplicates, Anomalies and Increase the Success Rate of Deliverability of the Class Notice. Class Members will be Assigned a Unique Mailing ID which will be Used Throughout Administration. The Notice Packet will be Translated into Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	3	\$285.00
Programming: Data Base Setup	\$150.00	3	\$450.00
Spanish Translation	\$1,200.00	1	\$1,200.00
TOTAL			\$1,935.00

DIRECT MAIL NOTICE

To Ensure Mailing to the Most Current Address Possible, CPT will Perform an Address Update via NCOA and Further Skip Trace if Necessary. CPT will Mail a Full-Length Notice & 1-Page Exclusion Form in English & Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Format Documents	\$95.00	2	\$190.00
National Change of Address Search (NCOA)	\$135.00	1	\$135.00
XML Lex ID Skip Trace	\$0.85	32	\$27.20
Print & Mail Notice Packets	\$1.50	317	\$475.50
First-Class Postage (up to 2 oz.)*	\$0.87	317	\$275.79
TOTAL			\$1,103.49

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

PROCESS RETURNED UNDELIVERABLE MAIL

Based On CPT's Historical Data, 5% of the Notices will be Returned Undeliverable. Upon Receipt, CPT will Perform a Skip Trace in an Attempt to Obtain a Current Address; Thus, 70% of the Undeliverable Notice Packets are Rемаiled.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Clerical Staff	\$60.00	1	\$60.00
Update Undeliverable Mail Database	\$0.50	16	\$8.00
Skip Trace for Best Address	\$1.00	14	\$14.00
Print & Remail Notice Packets	\$1.50	11	\$16.50
First-Class Postage (up to 2 oz.)	\$0.87	11	\$9.57
TOTAL			\$108.07

OPT-OUT PROCESSING

CPT will Process and Validate all Opt-Outs and Other Responses from Class Members. Deficient Opt-Outs will Receive a Deficiency Notice by

Mail and Provide an Opportunity to Cure. CPT will Scrub the Filed Opt-Outs to Eliminate Duplicates, Fraudulent, and Otherwise Invalid.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: De-duplication/Scrubbing	\$150.00	1	\$150.00
Project Manager: Validate Opt-Out Requests	\$95.00	1	\$95.00
Clerical Staff	\$60.00	1	\$60.00
Opt-Out & Change of Address Processing	\$2.00	5	\$9.51
Print & Mail Deficiency/Dispute Notices	\$1.50	1	\$1.50
First-Class Postage (up to 1 oz.)	\$0.66	1	\$0.66
Review & Process Deficiency Responses	\$10.00	1	\$10.00
		TOTAL	\$326.67

TELEPHONE SUPPORT

CPT will Maintain a Toll-Free Phone Number with IVR Capabilities and Live Class Member Support Representatives During Normal Business Hours, Monday-Friday, 9:00 AM - 5:30 PM, PT. The Dedicated Case Phone Number will Remain Active Up to 120 Days After Disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	\$150.00	2	\$300.00
Live Call Center Support Reps.	\$3.00	64	\$192.00
		TOTAL	\$492.00

SSN VERIFICATION

Verify SSN for Validity with IRS / IRS Backup Withholdings

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.10	312	\$31.22
		TOTAL	\$466.22

DISTRIBUTION SERVICES

CPT will Establish and Manage the Qualified Settlement Fund (QSF) for up to One Year After Disbursement. Upon Approval, CPT will Perform all Necessary Calculations and Disburse Funds. CPT will Mail an 8.5"x11" MICR Check to Valid Claimants. CPT Uses a Payee Positive Pay System to Reconcile Checks Cashed and Conducts Monthly Account Reconciliations for the QSF.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	3	\$450.00
Project Supervisor: Review of Distribution	\$150.00	3	\$450.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	312	\$780.61
First-Class Postage (up to 1 oz.)*	\$0.66	312	\$206.08
		TOTAL	\$2,976.69

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

POST-DISTRIBUTION & TAX REPORTING

Any Check Returned Undeliverable is Skip Traced to Locate a Current Address and Remailed Accordingly. CPT will Process Requests for Check Reissues Continuously. CPT Prepares Annual Tax Reporting on Behalf of the QSF and Federal and State Taxes in Accordance with Current State and Federal Regulations. Upon the Conclusion of the Settlement, a Final Report and Declaration will be Provided to all Parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Account Reconciliation	\$150.00	10	\$1,500.00
Update Undeliverable Checks Database	\$0.50	25	\$12.50
Skip Trace for Best Address	\$1.00	25	\$25.00
Remail Undeliverable Checks	\$2.50	23	\$57.50
First-Class Postage (up to 1 oz.)	\$0.66	23	\$15.18
Re-Issue Checks as Required	\$5.00	16	\$80.00
First-Class Postage (up to 1 oz.)	\$0.66	16	\$10.56
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	2	\$300.00
Project Supervisor: Final Declaration	\$150.00	2	\$300.00
Project Manager: Account Files Sent to Atty	\$95.00	2	\$190.00
CA Tax Preparation*	\$600.00	1	\$600.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
TOTAL			\$4,740.74

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

GRAND TOTAL	\$12,148.89
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TERMS AND CONDITIONS

These Terms and Conditions are made a part of, and incorporated by reference into, any cost proposal or Bid presented by CPT Group, Inc. to Client

1. Definitions.

- a) **"Affiliate"** means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
- b) **"Approved Bank"** means a financial institution insured by the Federal Deposit Insurance Corporation with capital exceeding \$1 billion.
- c) **"Case"** means the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the applicable Order.
- d) **"Claims Administrator"** means CPT Group, Inc., a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- e) **"Client"** means collectively Plaintiff Counsel and Defense Counsel.
- f) **"Client Content"** means all Class Member written document communications relating to the Case, including claim forms, opt-out forms, and objections, which contain Client Data.
- g) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under this Agreement, as provided by Client.
- h) **"Class Member"** means an individual who is eligible under the Settlement Agreement to receive a designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons so designated or addressed therein.
- i) **"Confidential Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
- j) **"Court Order"** means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more parties to the Case to carry out a legal obligation pursuant to the Case.
- k) **"Defendant"** means the named party and/or parties in the Case against whom action is brought.
- l) **"Defense Counsel"** means the attorney of record for the defendant(s) in the Case.
- m) **"Intellectual Property Right"** means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- n) **"Order"** means a Product purchase in a schedule, statement of work, addendum, exhibit, or amendment signed by Client and CPT.
- o) **"Parties"** shall mean collectively Defendants, Defense and Plaintiff as defined in the Settlement Agreement or Court Order.
- p) **"Plaintiff"** means the named party and/or parties in the Case who are bringing the action.
- q) **"Plaintiff Counsel"** means the attorney of record for plaintiff Class Members in the Case.
- r) **"Products"** means any and all CPT Services, and work products resulting from Services.
- s) **"Qualified Settlement Fund"** means the entity as defined by Treasury Regulation section 4686-1 under which a bank account is established to receive settlement funds from the Defendant in the Case, which such funds are then disbursed by CPT according to the Settlement Agreement and pursuant to Court Order.

- t) **"Service"** means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Class Members; (ii) setting up a Qualified Settlement Fund with a financial institution; (iii) management of disbursement of funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - u) **"Software"** means any and all of CPT's proprietary applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - v) **"Settlement"** means the total dollar amount agreed to between parties to the Case, as negotiated by Plaintiff Counsel and Defense Counsel, to resolve the Case to mutual satisfaction.
 - w) **"Settlement Agreement"** means the contract between parties to the Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Class Members.
 - x) **"Term"** means the term of the Agreement, as set forth in the Order.
 - y) **"Transmission Methods"** means the secure authorized manner to send Client Data and/or Wire Information as specified on a schedule or Order hereto.
 - z) **"Wire Information"** means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access Client Data for the purposes permitted under this Agreement and shall only transmit Client Data and/or Wire Instructions to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Client Data provided under this Agreement. Client shall not send, or attempt to send, Client Data and/or Wire Instructions via email, facsimile, unprotected spreadsheet, USB flash drive or other external or removable storage device, cloud storage provider, or any other method not specified in the Transmission Methods. Notwithstanding the foregoing, Client acknowledges and understands that the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, and/or destroyed. Client further warrants that any Client Data and/or Wire Instructions it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect the Client Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. Security. The Parties and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any personally identifiable information provided by Class Members and/or Client under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such personally identifiable information; (c) protect against unauthorized access to or use of such personally identifiable information that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such personally identifiable information in connection with its disposal. Each Party will respond promptly to remedy any known security breach involving the personally identifiable information provided by you and/or Client under this Agreement and shall promptly inform the other Parties of such breaches.
4. CPT Obligations. Provided that Client complies with all provisions of Section "Client Obligations", CPT will (i) maintain appropriate safeguards for the protection of Client Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Client Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Client.
5. Mutual Obligations.
- a) Resources. Each party agrees to: (i) provide the resources reasonably necessary to enable the performance of the Services; (ii) manage its project staffing, milestones, and attendance at status meetings; and (iii) ensure completion of its project deliverables and active participation during all phases of a Service project. The parties acknowledge that failure to cooperate during a Service project may delay delivery of the Service.

If there is a delay, the party experiencing the delay will notify the other party as soon as reasonably practicable, and representatives of each party will meet to discuss the reason for the delay and applicable consequences. Changes beyond the scope of an Order and/or a party's delay in performing its obligations may require an amended Order.

- b) **Incident Notification.** Each party will promptly inform the other parties in the event of a breach of Client Data in their possession and shall utilize best efforts to assist the other parties to mitigate the effects of such incident.
6. **Qualified Settlement Fund Account.** At Client's request, CPT shall be authorized to establish one or more bank accounts at an Approved Bank. The amounts held at the Approved Bank under this Agreement are at the sole risk of Client. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
7. **Fees and Payment.** Pricing stated within the proposal is good for 90 Days. All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the Client data and /or notice documents. Client will be invoiced for any remaining fees according to the applicable Order. Pricing stated within any proposal from CPT to Client is for illustrative purposes only and is only binding upon an Order executed by CPT and Client. Payment of fees will be due within 30 days after the date of the invoice, except where this Agreement expressly prescribes other payment dates. All fees set forth in an Order are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% (or the highest rate allowable by law, whichever is lower) per month on the outstanding balance from the date due until the date of actual payment. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation.
8. **Term and Termination.**
- a) **Term.** The Term is set forth in the Order. The Agreement may be renewed by mutual written agreement of the parties.
- b) **Termination for Cause.** Either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching party's receipt of written notice describing the breach in reasonable detail.
- c) **Bankruptcy Events.** A party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) **Effect of Termination.** Immediately following termination of this Agreement, upon Client's written request, Client may retrieve Client Data via Client's secure FTP site in the same format in which the Client Data was originally inputted into the Software, at no additional charge. Alternatively, Client Data can be returned in a mutually agreed format at a scope and price to be agreed. CPT will maintain a copy of Client Data and Client Content for no more than four (4) years following the date of the final check cashing deadline for Class Members under the Settlement Agreement, after which time any Client Data and Client Content not retrieved will be destroyed.
- e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.

Confidentiality. Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; **provided, however,** that such party shall use at least reasonable care. These obligations shall survive termination of this Agreement.

- a) **Compelled Disclosure.** If receiving party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such party shall (i) promptly notify the other party, (ii) reasonably cooperate with the other party in such party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each party is advised by its counsel in writing is legally required to be disclosed.
- b) **Remedies.** If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
10. **Intellectual Property.** As between the parties, CPT will and does retain all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. Client retains all ownership rights to Client Data.
11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, Covered CPT Parties") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "Damages") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Client Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
12. **Warranties.** Each party represents and warrants to the other party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such party; (iii) the Agreement is a legally valid and binding obligation of such party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.
13. **Liability.**
- a) **Liability Cap.** EXCEPT FOR A PARTY'S WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL CLAIMS ADMINISTRATOR FEES PAID OR PAYABLE BY CLIENT TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
14. **Communications.** CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

15. Miscellaneous Provisions.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party: (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by both parties.
- f) Assignment. Neither party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other party's prior written consent; provided, however, either party, without the consent of the other party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such party, where the responsibilities or obligations of the other party are not increased by such assignment and the rights and remedies available to the other party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.
- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such applicable laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other party first written above or at such other address as may hereafter be furnished in writing by either party hereto to the other party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT shall notify Client of its use of any subcontractors to perform Client-specific Services. CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

CASE NAME: FLOWSERVE US, INC.

Date: May 31, 2023

Requesting Attorney: Elizabeth Votra

Plaintiff or Defense: Plaintiff

Firm Name: Wilshire Law Firm, PLC

Telephone: (213) 381-9988 Ext.452

Email: evotra@wilshirelawfirm.com

All-In Settlement

Class Size: 283

Opt-Out Rate: 1.5%

No. of Checks Issued: 279

Postage Total: \$425.58

Grand Total: \$11,621.64

DISCOUNTED FLAT FEE: \$8,500.00

The services and numbers reflected herein are an estimate provided by counsel. If the actual services and number are different, our cost estimate will change accordingly.

The attached Terms and Conditions are included as part of our cost proposal. By accepting our costs proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

Upon Intake of the Data, CPT will Scrub all Records to a Useable Format to Reduce Duplicates, Anomalies and Increase the Success Rate of Deliverability of the Class Notice. Class Members will be Assigned a Unique Mailing ID which will be Used Throughout Administration. The Notice Packet will be Translated into Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	2	\$190.00
Programming: Data Base Setup	\$150.00	2	\$300.00
Spanish Translation	\$1,200.00	1	\$1,200.00
TOTAL			\$1,690.00

DIRECT MAIL NOTICE

To Ensure Mailing to the Most Current Address Possible, CPT will Perform an Address Update via NCOA and Further Skip Trace if Necessary. CPT will Mail a Full-Length Notice & 1-Page Exclusion Form in English & Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Format Documents	\$95.00	2	\$190.00
National Change of Address Search (NCOA)	\$135.00	1	\$135.00
XML Lex ID Skip Trace	\$0.85	28	\$23.80
Print & Mail Notice Packets	\$1.50	283	\$424.50
First-Class Postage (up to 2 oz.)*	\$0.81	283	\$229.23
TOTAL			\$1,002.53

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

PROCESS RETURNED UNDELIVERABLE MAIL

Based On CPT's Historical Data, 5% of the Notices will be Returned Undeliverable. Upon Receipt, CPT will Perform a Skip Trace in an Attempt to Obtain a Current Address; Thus, 70% of the Undeliverable Notice Packets are Remailled.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Clerical Staff	\$60.00	1	\$60.00
Update Undeliverable Mail Database	\$0.50	14	\$7.00
Skip Trace for Best Address	\$1.00	12	\$12.00
Print & Remail Notice Packets	\$1.50	10	\$15.00
First-Class Postage (up to 2 oz.)	\$0.81	10	\$8.10
TOTAL			\$102.10

OPT-OUT PROCESSING

CPT will Process and Validate all Opt-Outs and Other Responses from Class Members. Deficient Opt-Outs will Receive a Deficiency Notice by

Mail and Provide an Opportunity to Cure. CPT will Scrub the Filed Opt-Outs to Eliminate Duplicates, Fraudulent, and Otherwise Invalid.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: De-duplication/Scrubbing	\$150.00	1	\$150.00
Project Manager: Validate Opt-Out Requests	\$95.00	1	\$95.00
Clerical Staff	\$60.00	1	\$60.00
Opt-Out & Change of Address Processing	\$2.00	4	\$8.49
Print & Mail Deficiency/Dispute Notices	\$1.50	1	\$1.50
First-Class Postage (up to 1 oz.)	\$0.60	1	\$0.60
Review & Process Deficiency Responses	\$10.00	1	\$10.00
		TOTAL	\$325.59

TELEPHONE SUPPORT

CPT will Maintain a Toll-Free Phone Number with IVR Capabilities and Live Class Member Support Representatives During Normal Business Hours, Monday-Friday, 9:00 AM - 5:30 PM, PT. The Dedicated Case Phone Number will Remain Active Up to 120 Days After Disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	\$150.00	2	\$300.00
Live Call Center Support Reps.	\$3.00	57	\$171.00
		TOTAL	\$471.00

SSN VERIFICATION

Verify SSN for Validity with IRS / IRS Backup Withholdings

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.10	279	\$27.88
		TOTAL	\$462.88

DISTRIBUTION SERVICES

CPT will Establish and Manage the Qualified Settlement Fund (QSF) for up to One Year After Disbursement. Upon Approval, CPT will Perform all Necessary Calculations and Disburse Funds. CPT will Mail an 8.5"x11" MICR Check to Valid Claimants. CPT Uses a Payee Positive Pay System to Reconcile Checks Cashed and Conducts Monthly Account Reconciliations for the QSF.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	3	\$450.00
Project Supervisor: Review of Distribution	\$150.00	3	\$450.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	279	\$696.89
First-Class Postage (up to 1 oz.)*	\$0.60	279	\$167.25
		TOTAL	\$2,854.14

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

POST-DISTRIBUTION & TAX REPORTING

Any Check Returned Undeliverable is Skip Traced to Locate a Current Address and Remailed Accordingly. CPT will Process Requests for Check Reissues Continuously. CPT Prepares Annual Tax Reporting on Behalf of the QSF and Federal and State Taxes in Accordance with Current State and Federal Regulations. Upon the Conclusion of the Settlement, a Final Report and Declaration will be Provided to all Parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Account Reconciliation	\$150.00	10	\$1,500.00
Update Undeliverable Checks Database	\$0.50	22	\$11.00
Skip Trace for Best Address	\$1.00	22	\$22.00
Remail Undeliverable Checks	\$2.50	20	\$50.00
First-Class Postage (up to 1 oz.)	\$0.60	20	\$12.00
Re-Issue Checks as Required	\$5.00	14	\$70.00
First-Class Postage (up to 1 oz.)	\$0.60	14	\$8.40
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	2	\$300.00
Project Supervisor: Final Declaration	\$150.00	2	\$300.00
Project Manager: Account Files Sent to Atty	\$95.00	2	\$190.00
CA Tax Preparation*	\$600.00	1	\$600.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
TOTAL			\$4,713.40

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

GRAND TOTAL	\$11,621.64
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TERMS AND CONDITIONS

These Terms and Conditions are made a part of, and incorporated by reference into, any cost proposal or Bid presented by CPT Group, Inc. to Client

1. Definitions.

- a) **"Affiliate"** means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
- b) **"Approved Bank"** means a financial institution insured by the Federal Deposit Insurance Corporation with capital exceeding \$1 billion.
- c) **"Case"** means the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the applicable Order.
- d) **"Claims Administrator"** means CPT Group, Inc., a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- e) **"Client"** means collectively Plaintiff Counsel and Defense Counsel.
- f) **"Client Content"** means all Class Member written document communications relating to the Case, including claim forms, opt-out forms, and objections, which contain Client Data.
- g) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under this Agreement, as provided by Client.
- h) **"Class Member"** means an individual who is eligible under the Settlement Agreement to receive a designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons so designated or addressed therein.
- i) **"Confidential Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
- j) **"Court Order"** means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more parties to the Case to carry out a legal obligation pursuant to the Case.
- k) **"Defendant"** means the named party and/or parties in the Case against whom action is brought.
- l) **"Defense Counsel"** means the attorney of record for the defendant(s) in the Case.
- m) **"Intellectual Property Right"** means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- n) **"Order"** means a Product purchase in a schedule, statement of work, addendum, exhibit, or amendment signed by Client and CPT.
- o) **"Parties"** shall mean collectively Defendants, Defense and Plaintiff as defined in the Settlement Agreement or Court Order.
- p) **"Plaintiff"** means the named party and/or parties in the Case who are bringing the action.
- q) **"Plaintiff Counsel"** means the attorney of record for plaintiff Class Members in the Case.
- r) **"Products"** means any and all CPT Services, and work products resulting from Services.
- s) **"Qualified Settlement Fund"** means the entity as defined by Treasury Regulation section 4686-1 under which a bank account is established to receive settlement funds from the Defendant in the Case, which such funds are then disbursed by CPT according to the Settlement Agreement and pursuant to Court Order.

- t) **"Service"** means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Class Members; (ii) setting up a Qualified Settlement Fund with a financial institution; (iii) management of disbursement of funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - u) **"Software"** means any and all of CPT's proprietary applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - v) **"Settlement"** means the total dollar amount agreed to between parties to the Case, as negotiated by Plaintiff Counsel and Defense Counsel, to resolve the Case to mutual satisfaction.
 - w) **"Settlement Agreement"** means the contract between parties to the Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Class Members.
 - x) **"Term"** means the term of the Agreement, as set forth in the Order.
 - y) **"Transmission Methods"** means the secure authorized manner to send Client Data and/or Wire Information as specified on a schedule or Order hereto.
 - z) **"Wire Information"** means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access Client Data for the purposes permitted under this Agreement and shall only transmit Client Data and/or Wire Instructions to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Client Data provided under this Agreement. Client shall not send, or attempt to send, Client Data and/or Wire Instructions via email, facsimile, unprotected spreadsheet, USB flash drive or other external or removable storage device, cloud storage provider, or any other method not specified in the Transmission Methods. Notwithstanding the foregoing, Client acknowledges and understands that the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, and/or destroyed. Client further warrants that any Client Data and/or Wire Instructions it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect the Client Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. Security. The Parties and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any personally identifiable information provided by Class Members and/or Client under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such personally identifiable information; (c) protect against unauthorized access to or use of such personally identifiable information that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such personally identifiable information in connection with its disposal. Each Party will respond promptly to remedy any known security breach involving the personally identifiable information provided by you and/or Client under this Agreement and shall promptly inform the other Parties of such breaches.
4. CPT Obligations. Provided that Client complies with all provisions of Section "Client Obligations", CPT will (i) maintain appropriate safeguards for the protection of Client Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Client Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Client.
5. Mutual Obligations.
- a) Resources. Each party agrees to: (i) provide the resources reasonably necessary to enable the performance of the Services; (ii) manage its project staffing, milestones, and attendance at status meetings; and (iii) ensure completion of its project deliverables and active participation during all phases of a Service project. The parties acknowledge that failure to cooperate during a Service project may delay delivery of the Service.

If there is a delay, the party experiencing the delay will notify the other party as soon as reasonably practicable, and representatives of each party will meet to discuss the reason for the delay and applicable consequences. Changes beyond the scope of an Order and/or a party's delay in performing its obligations may require an amended Order.

- b) **Incident Notification.** Each party will promptly inform the other parties in the event of a breach of Client Data in their possession and shall utilize best efforts to assist the other parties to mitigate the effects of such incident.
6. **Qualified Settlement Fund Account.** At Client's request, CPT shall be authorized to establish one or more bank accounts at an Approved Bank. The amounts held at the Approved Bank under this Agreement are at the sole risk of Client. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
7. **Fees and Payment.** Pricing stated within the proposal is good for 90 Days. All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the Client data and /or notice documents. Client will be invoiced for any remaining fees according to the applicable Order. Pricing stated within any proposal from CPT to Client is for illustrative purposes only and is only binding upon an Order executed by CPT and Client. Payment of fees will be due within 30 days after the date of the invoice, except where this Agreement expressly prescribes other payment dates. All fees set forth in an Order are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% (or the highest rate allowable by law, whichever is lower) per month on the outstanding balance from the date due until the date of actual payment. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation.
8. **Term and Termination.**
- a) **Term.** The Term is set forth in the Order. The Agreement may be renewed by mutual written agreement of the parties.
- b) **Termination for Cause.** Either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching party's receipt of written notice describing the breach in reasonable detail.
- c) **Bankruptcy Events.** A party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) **Effect of Termination.** Immediately following termination of this Agreement, upon Client's written request, Client may retrieve Client Data via Client's secure FTP site in the same format in which the Client Data was originally inputted into the Software, at no additional charge. Alternatively, Client Data can be returned in a mutually agreed format at a scope and price to be agreed. CPT will maintain a copy of Client Data and Client Content for no more than four (4) years following the date of the final check cashing deadline for Class Members under the Settlement Agreement, after which time any Client Data and Client Content not retrieved will be destroyed.
- e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.
- Confidentiality.** Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; provided, however, that such party shall use at least reasonable care. These obligations shall survive termination of this Agreement.
- a) **Compelled Disclosure.** If receiving party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such party shall (i) promptly notify the other party, (ii) reasonably cooperate with the other party in such party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each party is advised by its counsel in writing is legally required to be disclosed.
- b) **Remedies.** If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
10. **Intellectual Property.** As between the parties, CPT will and does retain all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. Client retains all ownership rights to Client Data.
11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, Covered CPT Parties") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "Damages") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Client Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
12. **Warranties.** Each party represents and warrants to the other party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such party; (iii) the Agreement is a legally valid and binding obligation of such party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.
13. **Liability.**
- a) **Liability Cap.** EXCEPT FOR A PARTY'S WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL CLAIMS ADMINISTRATOR FEES PAID OR PAYABLE BY CLIENT TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
14. **Communications.** CPT may list Client's name and logo alongside CPT's other reviews on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

15. Miscellaneous Provisions.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party: (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by both parties.
- f) Assignment. Neither party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other party's prior written consent; provided, however, either party, without the consent of the other party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such party, where the responsibilities or obligations of the other party are not increased by such assignment and the rights and remedies available to the other party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this

Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.

- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such applicable laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other party first written above or at such other address as may hereafter be furnished in writing by either party hereto to the other party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT shall notify Client of its use of any subcontractors to perform Client-specific Services. CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

EXHIBIT 3

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between the Named Plaintiffs, John Arias, Jeffrey Hensley, and Esteban Romo, for their own behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand, and Defendant Flowserve US Inc. on its own behalf and on behalf of its past and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, representatives, officers, directors, agents and employees¹, on the other hand (collectively the “Parties,”), in the lawsuits *Arias and Hensley, et al. v. Flowserve US, Inc., et al.*, filed in the Los Angeles County Superior Court, Spring Street Case No. 22STCV27829 and *Romo, et al. v. Flowserve US, Inc., et al.*, filed in the Los Angeles County Superior Court, Case No. 22STCV27551. This Settlement Agreement resolves all claims that were asserted or could have been asserted against Defendants pertaining to the claims in the Litigation.

1. DEFINITIONS.

- 1.1. “Administrator” means CPT Group, Inc. the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.2. “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.
- 1.3. “Aggrieved Employee” means a person employed by Flowserve in California as an hourly paid or non-exempt employee during the PAGA Period.
- 1.4. “Class Action” means Plaintiffs’ Hensley’s and Arias’ civil lawsuit against Flowserve captioned *John Arias and Jeffrey Hensley et al. v. Flowserve US Inc.*, Case No. 22STCV27829, initiated on August 25, 2022 and pending in Superior Court of the State of California, County of Los Angeles, alleging: (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) civil penalties under the Private Attorneys General Act (“PAGA”).
- 1.5. “Class Counsel” means Nicol E. Hajjar and Elizabeth M. Votra of Wilshire Law Firm and Justin Lo of Work Lawyers, PC.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Class Action and PAGA Action.

¹ To the extent that the parties are aware, there is no intra-class conflict between Flowserve’s former and current employees as it pertains to this Agreement.

- 1.7. “Class Data” means the Settlement Class Member’s identifying information in Flowserve’s possession including the Settlement Class Member’s names, last-known addresses, Social Security numbers, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for current Settlement 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 Settlement Class Members.
- 1.9. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Settlement Class Members in English, with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.10. “Class Representatives” means the named Plaintiffs in the Operative Complaint seeking Court approval to serve as Class Representatives.
- 1.11. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.12. “Court” means the Superior Court of California, County of Los Angeles.
- 1.13. “Flowserve” means named Defendant Flowserve US Inc.
- 1.14. “Defense Counsel” means Marytza J. Reyes, Jamie Rudman, and Brittaney D. de la Torre of Sanchez & Amador, LLP.
- 1.15. “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 Settlement Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Settlement 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.
- 1.16. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.17. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

- 1.18. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.19. “Gross Settlement Amount” means One Million Dollars and Zero Cents (\$1,000,000.00) which is the total amount Flowserve agrees to pay under the Settlement except as provided in Paragraph 3 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator’s Expenses.
- 1.20. “Individual Class Payment” means the Participating Settlement Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.21. “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.
- 1.22. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.23. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.24. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.25. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Settlement Class Members as Individual Class Payments.
- 1.26. “Non-Participating Settlement Class Member” means any Settlement Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.27. “PAGA Action” means Plaintiff Esteban Romo’s civil lawsuit against Flowserve captioned *Esteban Romo v. Flowserve US, Inc.*, Case No. 22STCV27551, initiated on August 24, 2022 and pending in Superior Court of the State of California, County of Los Angeles, alleging a single claim for civil penalties under PAGA.
- 1.28. “PAGA Pay Period” means any Pay Period during which an Aggrieved

Employee worked for Flowserve for at least one day during the PAGA Period.

- 1.29. “PAGA Period” means the period from August 25, 2021 through the date of preliminary approval.
- 1.30. “PAGA” means the Private Attorneys General Action (Labor Code §§2698 *et seq.*).
- 1.31. “PAGA Notice” means Plaintiffs Hensley and Arias’ letter to Flowserve and the LWDA dated April 8, 2022, and Plaintiff Romo’s letter to Flowserve and the LWDA dated June 16, 2022, providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.32. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.33. “Participating Settlement Class Member” means a Settlement Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34. “Plaintiffs” means John Arias, Jeffrey Hensley, and Esteban Romo, who are the named Plaintiffs in the Class Action and PAGA Action.
- 1.35. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.36. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.37. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.38. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.39. “Released Parties” means: Flowserve and each of its former and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, representatives, officers, directors, attorneys, agents and employees.
- 1.40. “Request for Exclusion” means a Settlement Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Settlement Class Member.
- 1.41. “Response Deadline” means sixty (60) days after the Administrator mails Notice

to Settlement Class Members and Aggrieved Employees, and shall be the last date on which Settlement Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Settlement Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

- 1.42. “Settlement” means the disposition of the Class Action and PAGA Action effected by this Agreement and the Judgment.
- 1.43. “Settlement Class” means all persons employed by Flowserve in California as an hourly paid or non-exempt employee during the Settlement Class Period.
- 1.44. “Settlement Class Member” means a member of the Settlement Class, as either a Participating Settlement Class Member or Non-Participating Settlement Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.45. “Settlement Class Period” means the period from August 25, 2018 through the date of preliminary approval.
- 1.46. “Workweek” means any week during which a Settlement Class Member worked for Flowserve US Inc. for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On August 25, 2022, Plaintiffs Hensley and Arias commenced the Class Action by filing a Complaint alleging causes of action against Flowserve for: (1) Failure to Pay Minimum and Straight Time Wages pursuant to Cal., Labor Code §§ 204, 1194, 1194.2, and 1197; (2) Failure to Pay Overtime Wages pursuant to Labor Code §§ 1194 and 1198; (3) Failure to Provide Meal Periods pursuant to Labor Code §§ 226.7 and 512; (4) Failure to Authorize and Permit Rest Periods pursuant to Labor Code §§ 226.7; (5) Failure to Timely Pay Final Wages at Termination pursuant to Labor Code §§ 201-203; (6) Failure to Provide Accurate Itemized Wage Statements pursuant to Labor Code §§ 226; (7) Unfair Business Practices pursuant to Business & Professions Code §§ 1700, et seq.; and (8) Civil Penalties under the PAGA. On August 24, 2022, Plaintiff Esteban Romo commenced the PAGA Action, alleging a single claim for civil penalties under PAGA. Plaintiffs’ counsel shall be responsible for moving to consolidate and/or relate the Class Action and PAGA Action for purposes of this settlement. Based on Plaintiffs consolidation and/or relation of both the Class Action and PAGA Action, either the Class Action or PAGA Action or combination of both shall serve as the “Operative Complaint.” Flowserve denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. On May 26, 2023, the Parties participated in an all-day mediation presided over by Kelly A. Knight, which led to this Agreement to settle the Class Action and PAGA

Action.

- 2.3. Prior to mediation, Plaintiffs obtained, through informal discovery, electronic timekeeping and payroll data stored via excel spreadsheet, and documents reflecting Flowserve's timekeeping policies and practices. 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*").
- 2.4. The Court has not granted class certification.
- 2.5. 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, Flowserve promises to pay One Million Dollars and Zero Cents (\$1,000,000.00) and no more 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. Flowserve has no obligation to pay the Gross Settlement Amount, or any payroll taxes, prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Settlement Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Flowserve.
- 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 Payments to each Class Representative of not more than Five Thousand Dollars and Zero Cents (\$5,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Settlement Class Members). Flowserve will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.
 - 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than

Thirty-Three and One Third Percent (33 and 1/3%) of the Gross Settlement Amount, which is currently estimated to be Three Hundred and Thirty-Three Thousand Dollars and Zero Cents (\$333,000.00) and a Class Counsel Litigation Expenses Payment of not more than Twenty Thousand Dollars and Zero Cents (\$20,000.00). Flowserve will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment for 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 Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation 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 Litigation Expenses Payment and holds Flowserve harmless, and indemnifies Flowserve, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) 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 \$30,000.00 the Administrator will retain the remainder in the Net Settlement Amount. The Parties, through their respective counsel, have selected CPT Group as the Settlement Administrator to administer the Settlement, which includes but is not limited to distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement Administrator, estimated to be no more \$8,500.00, will be paid from the Settlement Amount. However, in the event the escalator clause is triggered or additional and unexpected work must be done by the Administrator, the administration costs may exceed \$8,500.00. Any charges and expenses of the Settlement Administrator greater than the allocated \$30,000.00 will come from the Settlement Amount. If the actual Settlement Administrator fees are less than the Parties' estimation, the difference between the actual and estimated Settlement Administrator fees will revert to the participating Settlement Class members. The Parties agree that this Agreement may be provided to the Settlement Administrator to effectuate its implementation of the settlement procedures herein.

3.2.4. To Each Participating Settlement Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Settlement Class Members during the Class Period and (b) multiplying the result by each Participating Settlement Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. One Third (1/3) of each Participating Settlement 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. One Third (1/3) of each Participating Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for interest, and One Third (1/3) as penalties (the "Non- Wage Portions"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Settlement Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Settlement Class Members on Calculation of Individual Class Payments. Non-Participating Settlement 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 Settlement Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) 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 the PAGA Penalties (\$12,500.00) by the total number of PAGA 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 Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Flowserve estimates there are approximately 317 Settlement Class Members, and approximately 240 Aggrieved Employees. There are a total of approximately 42,034 Class Workweeks.

4.2. Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Flowserve will simultaneously deliver the Class Data to the

Administrator, in the form of a Microsoft Excel spreadsheet. To protect Settlement 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. Flowserve has 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 Flowserve 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.

- 4.3. Funding of Gross Settlement Amount. Flowserve shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Flowserve's share of payroll taxes by transmitting the funds to the Administrator no later than twenty-eight (28) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fifteen (15) days after Flowserve funds the Gross Settlement Amount, 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 Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Participating Settlement 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 Settlement Class Members (including those for whom Class Notice was returned undelivered). The Administrator will issue checks for Individual PAGA Payments and send them to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). 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.
 - 4.4.2. The Administrator must conduct a Settlement Class Member Address Search for all other Participating Settlement Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (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 Participating

Settlement Class Member Address Search. The Administrator need not take further steps to deliver checks to Participating Settlement Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Settlement Class Member whose original check was lost or misplaced, requested by the Settlement Class Member prior to the void date.

4.4.3. For any Settlement 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 a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) (“Cy Pres Recipient”), Legal Aid Foundation of Los Angeles (LAFLA). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

5. RELEASES OF CLAIMS. Effective on the date when Flowserve fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Settlement Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs’ Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been alleged, based on the facts contained in the Operative Complaint or ascertained during the Class Action, PAGA Action, Plaintiffs’ respective PAGA Notices, or ascertained during the Class Action and PAGA Action and released under 5.2, below. (“Plaintiffs’ Release.”) Plaintiffs’ Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Released Class Claims:: All Participating Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, any and all claims involving any alleged: (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; and (7) unfair business practices. The Released Class Claims do not include any Released PAGA Claims, addressed in Paragraph 5.3 below. Except as set forth in Section 5.3 of this Agreement, Participating Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Released PAGA Claims: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the of the Class Action and PAGA Action, including, (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) failure to reimburse necessary business expenses.

6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Flowserve's Declaration in Support of Preliminary Approval. Within fifteen (15) days of the full execution of this Agreement, Flowserve will prepare and deliver to Class Counsel a signed Declaration from Flowserve and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and Flowserve shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Plaintiffs' Responsibilities. Plaintiffs will take responsibility for consolidating or

relating the Class Action and PAGA Action. Additionally, 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 Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Settlement Class Members and the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Settlement Class Members, the Administrator, and the proposed Cy Pres; (vi) a signed declaration from each Settlement Class Counsel firm attesting to its competency to represent the Settlement Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd.(a)), Operative Complaint (Labor Code section 2699, subd.(1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); all facts relevant to any actual or potential conflict of interest with Settlement Class Members, the Administrator, and the Cy Pres Recipient; and (vii) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than September 18, 2023; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.4 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 CPT Group

to serve as the Administrator and verified that, as a condition of appointment, CPT Group 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. 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 state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Settlement Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Settlement Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Settlement Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation, 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 Individual PAGA Payment payable to the Settlement Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Settlement Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than five (5) 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 Settlement 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 Settlement Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Settlement Class Members’ written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Settlement Class Members

whose notice is re-mailed. The Administrator will inform the Settlement Class Member of the extended deadline with the re-mailed Class Notice.

- 7.4.5 If the Administrator, Flowserve 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 person or by telephone, and in good faith, in an effort to agree on whether to include them as Settlement Class Members. If the Parties agree, such persons will be Settlement Class Members entitled to the same rights as other Settlement Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Settlement Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Settlement Class Member or his/her representative that reasonably communicates the Settlement Class Member's election to be excluded from the Settlement and includes the Settlement Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, 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 Settlement Class Member and the Settlement 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 Settlement 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 Settlement Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Settlement Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Settlement Class Members' Releases under Paragraph 5.2 of this Agreement, regardless whether the Participating Settlement Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Settlement Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Settlement 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Settlement Class Member shall have sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Settlement Class Member in the Class Notice. The Settlement Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail substantially in the form attached to this Agreement as Exhibit B. The Administrator must encourage the challenging Settlement 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 Settlement Class Member's allocation of Workweeks and PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Settlement Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Settlement Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Settlement 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 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Settlement Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Settlement Class Member calls, faxes and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) 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 Settlement Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Settlement Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 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 (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 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 Settlement Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than fourteen (14) 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 Class Notices

returned as undelivered, the re-mailing of Class Notices, attempts to locate Settlement Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach 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(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within ten (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 fifteen (15) 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. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Flowserve estimates that, as of the date of this Settlement Agreement, (1) there are approximately 317 Settlement Class Members and (2) there are approximately 240 Aggrieved Employees. If, as of the end of the Class Period, the actual Class size is more than 10% of this estimate (i.e., 347 or more Settlement Class Members), the Gross Settlement Amount shall increase based on the average gross payout paid to individual Settlement Class Members. For example, if the average payout based on 317 Settlement Class Members is \$1,000 per Settlement Class Member and there are 30 additional Settlement Class Members (347 total Settlement Class Members), Flowserve will increase the Gross Settlement Amount by \$30,000.00.
9. **FLOWSERVE'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Settlement Class Members, Flowserve may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Flowserve withdraws, 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, Flowserve will remain responsible for paying all Settlement Administration Expenses incurred to that point. Flowserve must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (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 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 ten (10) 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 Settlement Class Member, including the right to file responsive documents in Court no later than five (5) 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 Settlement 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 Payments, Class Counsel Fees Payment, Class Counsel Litigation 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 Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Settlement 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 Settlement 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 Payments 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 section 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 or should be construed as an admission by Flowserve that any of the allegations in the Operative Complaint have merit or that Flowserve has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Flowserve's 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, Flowserve reserves the right to contest certification of any class for any reasons, and Flowserve reserves 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 Flowserve's 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 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Flowserve and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Flowserve and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Settlement Class Members in accordance with Class Counsel's ethical obligations owed to Settlement Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Settlement 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 Settlement Class Members in accordance with Class Counsel's ethical obligations owed to Settlement

Class Members.

- 12.4 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.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Flowserve, 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.
- 12.6 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.
- 12.7 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.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Flowserve 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 CFR Part 10, as amended) or otherwise.
- 12.9 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.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.
- 12.12 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.

- 12.13 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.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Flowserve in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Flowserve unless, prior to the Court's discharge of the Administrator's obligation, Flowserve makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15 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.
- 12.16 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.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs: Nicol Hajjar or Elizabeth Votra of Wilshire Law Firm, P.C. 3055 Wilshire Blvd., 12th Fl. Los Angeles, CA 90010; nicol@wilshirelawfirm.com; tpetrosian@wilshirelawfirm.com; (213) 381-9988.

To Flowserve: Marytza J. Reyes of Sanchez & Amador, LLP, 800 S. Figueroa St., Suite 1120, Los Angeles, CA 90017; reyes@sanchez-amador.com.

- 12.18 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.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

4/26/2024

Dated: _____, 2023

DocuSigned by:



John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: _____, 2023

Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: _____, 2023

Name: _____

Title: _____

Approved as to form:

WILSHIRE LAW FIRM, PLC



Dated: 4/26/2024, 2023

Nicol E. Hajjar, Esq.

Tina Petrosian, Esq.

Attorneys for Plaintiffs and the Class

WORK LAWYERS, PC

Dated: _____, 2023

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

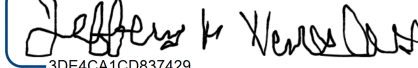
John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

4/26/2024

Dated: _____, 2023

DocuSigned by:


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Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: _____, 2023

Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: _____, 2023

Name:

Title:

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: 4/26/2024, 2023



Nicol E. Hajjar, Esq.

Tina Petrosian, Esq.

Attorneys for Plaintiffs and the Class

WORK LAWYERS, PC

Dated: _____, 2023

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On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

John Arias, Plaintiff

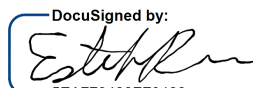
On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2023

Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: 4/26/2024, 2023

DocuSigned by:


Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: _____, 2023

Name:

Title:

Approved as to form:

WILSHIRE LAW FIRM, PLC

Dated: _____, 2023

Nicol E. Hajjar, Esq.
Tina Petrosian, Esq.
Attorneys for Plaintiffs and the Class

WORK LAWYERS, PC

4/26/2024

Dated: _____, 2023

DocuSigned by:

Justin Lo

06741113683E460...

Justin Lo, Esq.
Attorneys for Plaintiff Esteban Romo

SANCHEZ & AMADOR LLP

Dated: _____, 2023

Marytza Reyes, Esq.
Brittaney D. de la Torre, Esq.
Jamie Rudman, Esq.
Attorneys for Defendant, Flowserve US Inc.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2024 _____
John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: _____, 2024 _____
Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: _____, 2024 _____
Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

Dated: 4/26/2024 _____, 2024 _____
Name: Hisham Masri
Title: Employment Counsel

DocuSigned by:
Hisham Masri
C7D62B2EE10343F...

Approved as to form:

WILSHIRE LAW FIRM, PLC

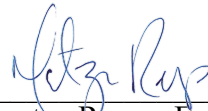
Dated: _____, 2024 _____
Nicol E. Hajjar, Esq.
Tina Petrosian, Esq.
Attorneys for Plaintiffs and the Class

WORK LAWYERS, PC

Dated: _____, 2024 _____
Justin Lo, Esq.
Attorneys for Plaintiff Esteban Romo

SANCHEZ & AMADOR LLP

Dated: April 26, 2024 _____
Marytza Reyes, Esq.
Brittaney D. de la Torre, Esq.
Jamie Rudman, Esq.
Attorneys for Defendant, Flowserve US Inc.



NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND PAGA CLAIMS

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
John Arias; Jeffrey Hensley v. Flowserve US, Inc., et al.
Case No. 22STCV27829

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX -

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT.
DEFENDANT WILL NOT RETALIATE AGAINST YOU FOR PARTICIPATING IN THIS
SETTLEMENT.**

THIS NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY.

A California court authorized this notice. This is not a solicitation from a lawyer.

YOU ARE HEREBY NOTIFIED that a proposed settlement (“the Settlement”) of the above-captioned class action (“the Action”) filed in the Los Angeles County Superior Court has been reached by FLOWSERVE US, INC., (“Flowserve”) and JOHN ARIAS; JEFFREY HENSLEY (“Plaintiffs”), who are individuals, on behalf of themselves and all others similarly situated, and has been granted Preliminary Approval by the Court supervising the Action. The Los Angeles County Superior Court has ordered that this Class Notice be sent to you because you may be a Settlement Class member and/or an Aggrieved Employee under California’s Private Attorney General Act (“PAGA”) arising out of the alleged wage and hour policies and practices of Flowserve. The purpose of this Class Notice is to inform you of the Settlement of this class action and PAGA claims, and your legal rights under the Settlement as follows:

- Flowserve has agreed to settle a lawsuit brought on behalf of all persons who worked one or more Workweeks for Flowserve in California as an hourly-paid or non-exempt employee during the period from August 25, 2018 through the date of preliminary approval (the “Settlement Class Period”) (hereafter, “Settlement Class”). From the proposed settlement, Flowserve has agreed to pay a PAGA Payment of \$12,500.00, to be distributed *pro rata* among the employees who worked one or more Workweeks during the period from August 25, 2021 through the date of preliminary approval.
- The proposed Settlement resolves all alleged claims regarding the following wage and hour policies and/or practices of Flowserve: overtime and/or double time wage, minimum wage, straight time wage, failure to pay for all hours worked, meal and rest breaks and any premiums thereon, wage statement violations, waiting time penalties, or other penalties of any kind arising from an alleged failure to pay wages. Finally, the settlement resolves claims for unfair competition and penalties under California’s Private Attorney General Act (“PAGA”) arising out of the alleged wage and hour policies and practices of Flowserve. The settlement avoids costs and risks to you from continuing the lawsuit, pays money to employees, and releases Flowserve from liability for these claims.
- The parties in the lawsuit disagree on whether Flowserve is liable for the allegations raised in this case and how much money could have been won if the employees won at trial.

- **Your legal rights may be affected. Read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Get a Payment	If you are a member of the Settlement Class, you will automatically receive a payment if you do not exclude yourself. If you accept a payment and do not exclude yourself you will give up certain rights as set forth on page 4 below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below.
Exclude Yourself	Get no payment. Send a letter to the Settlement Administrator as provided below. This is the only option that allows you to bring your own claim against Flowserve about the legal claims in this case. The Settlement will bind all Settlement Class Members who do not request exclusion.
Object	Write to the Court about why you do not like the settlement. Directions are provided below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a lawsuit and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of a class on whose behalf this lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff filed this lawsuit in Los Angeles County Superior Court on behalf of the Settlement Class and the Aggrieved Employees. The lawsuit alleges that members of the Settlement Class and Aggrieved Employees were not paid for or properly provided meal and rest breaks, were not issued accurate wage statements, were not paid all minimum, straight time, and overtime wages, were not paid all wages due at termination and/or resignation and were subjected to unfair competition. The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, and attorneys' fees and costs.

Flowserve denies any liability or wrongdoing of any kind associated with the claims alleged in the lawsuit. Flowserve contends, among other things, that they complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable law. Flowserve further denies that the lawsuit is appropriate for class treatment for any purpose other than settling this lawsuit.

The Court has made no ruling and will make no ruling on the merits of the Litigation and its allegations and claims.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did **not** decide in favor of the Plaintiff or Flowserve. Plaintiff thinks he would have prevailed on his claims at a trial. Flowserve does not think that Plaintiff would have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the costs, risks, and uncertainty of a trial, and the class members will get compensation. Plaintiff and Plaintiff's attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all class members.

B. Who is in the Class?

The Settlement Class consists of all persons who worked one or more Workweeks for Flowserve in California as an hourly-paid or non-exempt employee during the Settlement Period from August 25, 2018 through the date of preliminary approval and all persons who worked one or more Workweeks for Flowserve in California as an hourly-paid or non-exempt employee from August 25, 2021 through the date of preliminary approval (the “PAGA Period”).

C. What does the Settlement provide?

1. Settlement Amount

Flowserve will pay a total of One Million Dollars and Zero Cents (\$1,000,000.00) (the “Settlement Amount”) to settle the lawsuit.

The following sums will be paid from the Settlement Amount: all Net Settlement Payments (inclusive of all employment taxes and all other legally required withholdings that would otherwise be due from the individual Class Members) to the Settlement Class, Attorneys’ Fees (not to exceed 33 ⅓ % of the Settlement Amount, or \$330,000.00), Litigation Expenses not to exceed \$20,000.00, Settlement Administrative Costs estimated in an amount not to exceed \$8,500.00, the PAGA Settlement Payment in the amount of \$37,500.00, and an enhancement payment to the Named Plaintiffs not to exceed \$15,000.00 (therefore, \$5,000.00 each). Any and all Employer Taxes which Flowserve normally would be responsible for paying on the Net Settlement Payments made to individual Class Members will be paid by Flowserve independent of the Settlement Amount.

The funds used for the Settlement Amount shall be paid to the Settlement Administrator. The Settlement Administrator shall disburse the Court-approved enhancement to the Named Plaintiff, Court-approved Attorneys’ Fees and Litigation Expenses, Settlement Administration Costs, and the PAGA Settlement Payment at the same time and manner as the Net Settlement Payments to the Settlement Class members.

2. Net Settlement Amount

“Net Settlement Amount” means the Settlement Amount minus the Attorneys’ Fees, Litigation Expenses, Settlement Administrative Costs, the portion of the PAGA Settlement payment payable to the Labor and Workforce Development Agency, and the enhancement payment to the Named Plaintiff.

3. Your Individual Class Payment Amount.

The Settlement Administrator will calculate the total number of workweeks for all Class Members who were employed by Flowserve during the Settlement Class Period (“Total Workweeks”). A Workweek is defined as any week during which a Settlement Class Member worked for Flowserve US Inc. for at least one day, during the Class Period. Participating Settlement Class Members are Settlement Class Members who do not “opt out” (as defined on page 5 below) during the Settlement Class Period. The value of each Workweek shall be determined by the Administrator by dividing the Net Settlement Amount by the total number of Workweeks available to the Class Members who do not “opt out” (as defined on page 5 below) during the Settlement Class Period (“Workweek Point Value”). Non-Participating Settlement 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 Settlement

Class Members on a pro rata basis.

An "Individual Class Payment" for each Participating Settlement Class Member will then be determined by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Settlement Class Members during the Class Period and (b) multiplying the result by each Participating Settlement Class Member's Workweeks.

The Net Settlement Amount available for Class Member settlement payments is estimated to be \$589,000.00, for a class of 317 persons.¹ As a result, each Settlement Class Member is eligible to receive an average net benefit of approximately \$1,858.04.

4. Your Individual PAGA Payment Amount

Individual PAGA Payments will be calculated and apportioned from the 25% share of the PAGA Penalties based on the Aggrieved Employees' PAGA Pay Periods, as follows: The Settlement Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the PAGA Penalties (\$12,500.00) by the total number of PAGA 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.

5. Estimated Payments May Be Subject to Change; Escalator Clause

Estimated payments may be subject to change if the escalator clause is triggered.

Based on its records, Flowserve estimates that, as of the date of this Settlement Agreement, (1) there are approximately 317 Settlement Class Members and (2) there are approximately 240 Aggrieved Employees. If, as of the end of the Class Period, the actual Class size is more than 10% of this estimate (i.e., 347 or more Settlement Class Members), the Gross Settlement Amount shall increase based on the average gross payout paid to individual Settlement Class Members.

6. Tax Matters

The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent California forms) to Settlement Class Members reflecting the payments each Settlement Class Member receives under the Settlement. For tax purposes, Net Settlement Payments will be allocated as follows: One Third (1/3) of each Participating Settlement Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). One Third (1/3) of each Participating Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for interest, and One Third (1/3) as penalties (the "Non- Wage Portions"). Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code and the California Franchise Tax Board.

The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Flowserve will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Settlement Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Any payment for an Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will

¹ The Net Settlement Amount is: \$1,000,000.00 minus \$333,000.00 for Class Counsel's attorneys' fees, minus approximately \$20,000.00 for Class Counsel's litigation expenses, minus approximately \$8,500.00 in administration costs, minus \$37,500.00 for the PAGA portion sent to the LWDA, and minus \$15,000.00 for the class representative service awards.

be reported on an IRS Form-1099, if necessary. The Administrator will have the option to pay the Individual Settlement Payment and Individual PAGA Payment by way of a single check. . Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payment they receive under the Settlement.

D. What are you giving up to get a payment and stay in the Class?

Effective on the date when Flowserve fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Settlement Class Members, and Class Counsel will release claims against all Released Parties as follows:

Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been alleged, based on the facts contained in the Operative Complaint or ascertained during the Class Action, PAGA Action, Plaintiffs' respective PAGA Notices, or ascertained during the Class Action and PAGA Action and released under 5.2, below. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

Released Class Claims:: All Participating Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, any and all claims involving any alleged: (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; and (7) unfair business practices. The Released Class Claims do not include any Released PAGA Claims. Except as set forth in Section 5.3 of this Agreement, Participating Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Released PAGA Claims: : All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the of the Class Action and PAGA

Action, including, (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) failure to reimburse necessary business expenses.

THE FINAL APPROVAL HEARING

The Court will conduct a Final Approval Hearing regarding the proposed settlement (the “Final Approval Hearing”) on XXXXXX, at Spring Street Courthouse, 312 N. Spring Street, Los Angeles, California 90012, in Department 17 of the Los Angeles County Superior Court. The Court will determine: (i) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class members; (ii) whether the Settlement Class members should be bound by the terms of the settlement; (iii) the amount of the attorneys’ fees and costs to Plaintiff’s counsel; (iv) the amount that should be provided to the Settlement Administrator for the costs of administering the Settlement; and (v) the amount that should be awarded to the Plaintiff as an enhancement payment. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

The Final Approval Hearing may be continued without further notice to the Class. You may contact Plaintiff’s counsel, listed in this Notice, to inquire into the date and time of the Final Approval Hearing.

Condition of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – GET A PAYMENT**

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, THEN YOU DO NOT HAVE TO DO ANYTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU ARE NOT REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.

The estimated amount of your Settlement Payment is set forth on the Workweek Dispute Form which accompanies this Notice.

The amount of the Settlement Payment paid to each Settlement Class member is based upon the number of workweeks you worked between August 25, 2018 through the date of preliminary approval. The number of workweeks applicable to your claim is also set forth on the accompanying Workweek Dispute Form. If you believe that the number of workweeks stated is incorrect, you may dispute the number of workweeks by following the instructions on the Workweek Dispute Form. If you believe that the number of workweeks stated is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your released claims described in Section D above.

- **OPTION 2 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will **not** be bound by a judgment in this case and you will have the right to file your own lawsuit against Flowserve, subject to time limits called statute of limitations and other potential defenses that Flowserve may assert, and to pursue your own claims in a separate suit.

You can opt out of the Settlement Class by completing the form on **Page 8** of this Notice and mailing it by First Class U.S. Mail or equivalent to the Settlement Administrator at the following address: CPT Group Class Action Administration Solutions, 50 Corporate Park, Irvine, CA, 92606. To be valid, your request for exclusion must be postmarked no later than [60 days after mailing].

- **OPTION 3 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense.

Any written objection may be mailed to the Settlement Administrator at P.O. Box 7208, Orange, CA, 92863 by [60 days after mailing].

PLAINTIFFS’/CLASS COUNSEL

Nicol E. Hajjar, Esq.
nicol@wilshirelawfirm.com
Tina Petrosian, Esq.
tpetrosian@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

FLOWSERVE’S COUNSEL

Marytza J. Reyes, Esq.
reyes@sanchez-amador.com
Brittaney D. de la Torre, Esq.
delatorre@sanchez-amador.com
SANCHEZ & AMADOR, LLP
800 S. Figueroa Street, 11th Floor
Los Angeles, California 90017
Tel.: (213) 955-7200
Fax: (213) 955-7201

CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Award or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator at:

CPT Group Action Administration Solutions
50 Corporate Park
Irvine, CA, 92606

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you may review the detailed “Stipulation of Settlement” which is available for viewing online on the following website:

URL: [Insert website provided by Settlement Administrator]

The pleadings and other records in the lawsuit are also available on the website.

ANY INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO PLAINTIFF'S COUNSEL LISTED ABOVE OR TO THE SETTLEMENT ADMINISTRATOR, CPT Group Class Action Administrators, 50 Corporate Park, Irvine, CA, 92606, (800) 542-0900. Please refer to the *John Arias; Jeffrey Hensley v. Flowserve* Class Action Settlement.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT PROCESS

**[COMPLETE THIS FORM *ONLY IF YOU CHOOSE TO*
NOT PARTICIPATE IN THIS SETTLEMENT AND
CHOOSE *NOT* TO RECEIVE A SETTLEMENT SHARE]**

OPT-OUT FORM

John Arias; Jeffrey Hensley v. Flowserve

LOS ANGELES COUNTY SUPERIOR COURT CASE NUMBER 22STCV27829

INSTRUCTIONS: TO OPT-OUT OF THE SETTLEMENT, YOU MUST COMPLETE, SIGN AND MAIL THIS FORM BY FIRST CLASS U.S. MAIL OR EQUIVALENT, POSTAGE PAID, POSTMARKED ON OR BEFORE **[+60 DAYS FROM MAILING]**, ADDRESSED TO:

INSERT ADMINISTRATOR INFO

Please fill in all of the following information (type or print):

NAME (First, Middle, Last): _____

STREET ADDRESS: _____

CITY, STATE, ZIP CODE: _____

TELEPHONE NUMBERS: Home: _____ Work: _____

**IT IS STRONGLY RECOMMENDED THAT YOU RETAIN PROOF OF MAILING
THIS FORM POSTMARKED ON OR BEFORE **[DATE]**.**

I [insert your name] wish to be excluded from the Settlement Class in the case of *John Arias; Jeffrey Hensley v. Flowserve*, Los Angeles County Superior Court Case Number 22STCV27829. I understand I will not receive money from the proposed class action settlement.

I further verify that the following is true: My name, address and other contact information are accurately set forth above. I received and had the opportunity to read the Notice of Proposed Class Action Settlement that were sent to me along with this Opt-Out Form. I understand that by signing this side of the form, I voluntarily choose to exclude myself from the proposed settlement of this class action. **I understand that by excluding myself, I may not accept any money allocated for me in the proposed settlement and may not object to the settlement.** On the other hand, I also understand that if I wish to assert any claims related to those set forth in this lawsuit in my individual capacity, I shall have to do so separately. I understand that any such claims are subject to strict time limits, known as statutes of limitations, which restrict the time within which I may file any such action. I understand that I should consult with an attorney at my own expense if I wish to obtain advice regarding my rights with respect to this settlement or my choice to opt out of the settlement. Flowserve has not encouraged me to opt out, and I choose to opt out of my own free will.

I declare under penalty of perjury under the laws of the State of California that the forgoing is true and correct.

Signed: _____

Date: _____

Print Name: _____

Last four digits of Social Security Number _____

EXHIBIT 4

Justin Lo, Esq. (SBN: 280102)
Justin@caworklawyer.com
WORK LAWYERS PC
22939 Hawthorne Blvd., Suite 202
Torrance, CA 90505
Telephone: (424) 355-8535
Facsimile: (949) 258-8970

Attorneys for Plaintiff ESTEBAN ROMO, as representative of the State of California and the Labor and Workforce Development Agency, and on behalf of himself and other current and former employees.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
THE COUNTY OF LOS ANGELES

ESTEBAN ROMO, on behalf of himself and
all other aggrieved employees,
Plaintiff,

v.

FLOWSERVE US INC., a Delaware
Corporation doing business in California;
and DOES 1-50, Inclusive,
Defendants.

CASE NO.: 22STCV27551

**AMENDED DECLARATION OF JUSTIN
LO IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT IN RELATED CASE**

DATE: May 23, 2024
TIME: 9:00 AM
DEPT: 17

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1. I am an attorney at law, duly licensed to practice before all the Courts of the State of California and I am the principal of Work Lawyers, P.C., counsel of record for Plaintiff Esteban Romo ("Plaintiff") and Co-Counsel for Plaintiffs John Arias and Jeffrey Hensley. As such, I am familiar with the file in this matter and if called as a witness I could and would competently testify to the following facts of my own personal knowledge.

3. Attached as **Exhibit A** is a true and correct copy of Mr. Esteban Romo's letter to the LWDA sent on May 26, 2022.

5. I have inquired upon my client, plaintiff Esteban Romo regarding any potential conflicts of interest he may have with the proposed *cy pres* recipient, Legal Aid Foundation of Los Angeles. Mr. Romo states he has no interest or involvement with the Legal Aid Foundation of Los Angeles.

7. I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct this April 8, 2024 at Torrance, California.

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WORK LAWYERS PC.

BY:  _____

Justin Lo
Attorney for Plaintiff Estaban
Romo



NOTICE OF LABOR CODE VIOLATIONS - PAGA
(Labor Code § 2699.3)

DATE May 26, 2022

DELIVERY Online Filing and Certified U.S. Mail

RECIPIENTS California
Workforce Development Agency
PAGAfilings@dir.ca.gov

SUBJECT: Esteban Romo v. FlowServe US, Inc.; ET AL— NOTICE OF LABOR CODE VIOLATIONS UNDER CAL. LABOR CODE §2699.3

Dear Representative:

This office represents Esteban Romo (“Mr. Romo”) with respect to his claims against FlowServe US, Inc. (“Employer”) for violations of the California Labor Code and IWC Wage Orders. This letter is being sent simultaneously to Employers by certified mail.

Employers are a corporation doing business in the State of California. Employers employed Mr. Romo from approximately September 2018 to April 2022, as an exempt employee. During his employment with Employers, Mr. Romo was employed as an “Inventory Supervisor (Specialist)” then as a “Warehouse Supervisor” at Employer’s facility located at 2300 E. Vernon Ave., Vernon, CA 90058. Despite spending more than half of his workday handling only data entry responsibilities during his employment, Mr. Romo was paid a fixed salary irrespective of the number of hours he worked. Mr. Romo often worked Monday to Friday from approximately 6:00 AM until 5:00 PM and was only given a meal break whenever time permitted. This meal break was often interrupted with work responsibilities.

Mr. Romo did not receive any rest breaks at all, because he was informed that his exempt position precluded him from receiving any. Mr. Romo was also required to work remotely from home and purchase all his own computer equipment and pay for all necessary utilities. Employer did not reimburse Mr. Romo for any expenses incurred and did not keep track of all hours worked by Mr. Romo. Mr. Romo did not have the ability to hire, fire, interview, or discipline any other employee during this entire time. Mr. Romo also did not perform duties that justified an



exemption classification. Mr. Romo believes his labor code violations were suffered by both exempt and non-exempt employees of Defendant.

Mr. Romo intends to seek penalties for violations of the California Labor Code which are recoverable under California Labor Code section 2698, et seq., the Private Attorneys General Act of 2004 (“PAGA”). Mr. Romo is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former exempt and non-exempt employees of any of the Employers (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3.

As detailed below, Employers violated several of California’s wage and hour laws during Mr. Romo’s employment, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 227.3, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Order”) including inter alia, IWC Wage Order No. 5. The claims made on behalf of Mr. Romo and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION.

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Mr. Romo and Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

First, Employers regularly required Mr. Romo and Aggrieved Employees to work off-the-clock in order to complete their duties and responsibilities. This off-the-clock work included, amongst other things, requiring Mr. Romo and Aggrieved Employees to: (1) respond to Employers and work-related requests and perform work while clocked out for purported meal breaks; (2) perform work before clocking in for the start of their shift; and (3) perform work after clocking out for the end of their shift. Mr. Romo and Aggrieved Employees were not compensated for this off-the-clock work, resulting in a failure to pay minimum wages and straight time wages. Moreover, this off-the-clock work typically caused Mr. Romo and Aggrieved Employees to work more than eight (8) hours in a day and forty (40) hours in week, resulting in a failure to pay overtime compensation.

In addition to requiring Mr. Romo and Aggrieved Employees to perform work off-the-clock without compensation, Employers also failed to accurately record the actual time worked by Mr. Romo and Aggrieved Employees, which resulted in a failure to pay Mr. Romo and Aggrieved Employees for all hours worked, including minimum wages, straight time wages and overtime wages. Finally, and as a matter of policy and/or practice, Employers failed to pay overtime to



Mr. Romo and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration.

As a result of the foregoing practices, Employers have failed to pay Mr. Romo and Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Order No. 5 and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

Employers failed to provide Mr. Romo and Aggrieved Employees with legally compliant 30-minute meal periods. Employers required Mr. Romo and Aggrieved Employees to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Mr. Romo and Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Mr. Romo and Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. On the occasions that Mr. Romo and Aggrieved Employees did take a meal period, their meal periods were frequently interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Romo and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels, affecting all exempt and non-exempt employees, failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Mr. Romo and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Mr. Romo and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Mr. Romo and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Mr. Romo and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during meal periods, which included responding to in-person verbal interruptions; and (7) Employers' policy and culture prevented Mr. Romo and other Aggrieved Employees from taking timely, uninterrupted, and duty-free



meal periods because of the priority placed on completing job requirements over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Mr. Romo and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 5 and California Labor Code sections 226.7(a), 512(a) and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; penalties pursuant to California Labor Code California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS.

Employers failed to authorize and permit Mr. Romo and Aggrieved Employees take legally compliant 10-minute periods. Employers required Mr. Romo and Aggrieved Employees to work through rest periods. Mr. Romo and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Mr. Romo and Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Mr. Romo and Aggrieved Employees were never completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Romo and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels, affecting all hourly-exempt and non-exempt employees, failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Mr. Romo and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Mr. Romo and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Mr. Romo and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Mr. Romo and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during rest periods, which included responding to in



person verbal interruptions; and (7) Employers' policy and culture prevented Mr. Romo and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Mr. Romo and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 5 and California Labor Code sections 226.7(a), and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT.

As to each pay period, Employers have failed to timely pay all wages earned because Mr. Romo and Aggrieved Employees were not paid all the wages they were owed including, inter alia, overtime compensation, straight time wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS.

As a result of the practices described above, the wage statements provided to Mr. Romo and Aggrieved Employees never included the actual hours worked, the name and address of the legal employing entity, and the correct rates of pay. Accordingly, Employers violated California Labor Code section 226(a).

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS.

Employers have failed to maintain accurate records relating to Mr. Romo and Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated IWC Wage Order No. 5 and California Labor Code sections 1198.5 and 1174(d).



Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 5 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Mr. Romo and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the use of Mr. Romo and Aggrieved Employees of their personal computer, monitors, keyboard, mouse, wires, printer, wifi, and internet to work remotely from home.

Accordingly, Employers violated IWC Order No. 5 and California Labor Code sections 2800 and 2802.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; and attorneys' fees and costs.

Sincerely,


JUSTIN LO ESQ.



Notice provided to Employer via Certified Mail

CT Corporation System
Agent for Service of Process
FlowServe US, Inc.
330 N. Brand Blvd., Ste. 700
Glendale, CA 91203

Notice provided to Employer via Certified Mail

FlowServe US, Inc.
Human Resources / Legal Dept.
5215 N. O'Connor Blvd., Suite 700
Irving, TX 75039

Notice provided to Employer via Certified Mail

FlowServe US, Inc.
Human Resources / Legal Dept.
2300 E. Vernon Ave.
Vernon, CA 90058

EXHIBIT B

- *Sanae Matsuda v. Harry T. Nomura, D.D.S. Inc.*, San Francisco Case No. CGC-19-574949
- *Hector Montoya v Kings Oil Tools Inc.*, San Luis Obispo Superior Court, Case No. 19CVP-0413- Approved to act as class counsel
- *Stephen Bailey v. Kinder Morgan G.P.* United States District Court, Case No. 3:18-cv-03424-TSH- Approved to act as class counsel
- *Genevieve Rangel v. Bassett Furniture NC LLC.* Orange County Superior Court Case No. 30-2018-01040101-CU-OE-CXC
- *Martin Rubio v. Altman Specialty Plants, Inc.* Los Angeles Superior Court Case No. 18STCV09215- Approved to act as class counsel
- *Caroline Villata v. Stars Recreation Center, Solano County Superior Court Case No. FCS054507*
- *Jason Hogan v. Wolverine Distribution Inc.*, Riverside County Superior Court Case No. RIC1902891- Approved to act as class counsel
- *Jose Rosales v. IDT America Corp. et al.*, Los Angeles Superior Court Case No. 19STCV01581- Approved to act as class counsel
- *Eric Hardie v. Mattel Inc.et al.*, Los Angeles Superior Court Case No. 21STCV11096
- *Richard Ward v. Miller Jones Mortuary & Crematory, Inc.* Riverside Superior Court Case No. RIC2002589- Approved to act as class counsel
- *Michael Franchini v. General Consolidated Constructors, Inc.* Riverside Superior Court Case No. RIC2001600
- *Christopher Marrone v. Caffeine Studios LLC.*, San Mateo Superior Court Case No. 20-CIV-04830
- *Annette Arredondo v. UFIT Physical Therapy Enterprise Los Angeles Superior Court Case No. 21STCV07346*
- *Chelsea Bedoni v. LPDB Joint Ventures*, Yuba Superior Court Case No. CVCV19-01058
- *Brandon Burton v. G&M Hire Enterprises, LLC*, Riverside Superior Court Case No. CVSW2106409
- *Allan Castaneto v. Calop Business Systems, Inc.*, Los Angeles Superior Court Case No.

20STCV03772

- *Joaquin Del Cid, Jr. v. Jonathan Club, Los Angeles Superior Court Case No. 20STCV12113*
- *John Coles v. Sally Beauty Holdings, Inc., Los Angeles Superior Court Case No. 21STCV01648*
- *Adam Davidson v. Los Angeles Truck Centers, LLC, Los Angeles Superior Court Case No. 20STCV41572*
- *Donald Dumas v. Allied Nationwide Security, Inc., Los Angeles Superior Court Case No. 21STCV26647*
- *Shawn Fitzpatrick v. Concord Foods, Inc. San Bernardino Superior Court Case No. CIVSB2116303*
- *Eduardo Galeana v. Master Property Management, Inc., Los Angeles Superior Court Case No. 21STCV16625*
- *Ronak Garg v. Providence Medical Associates, Inc. Los Angeles Superior Court Case No. 22STCV03368*
- *Maria Magdalena Gomez v. Bel Aire Bridal, Inc., Los Angeles Superior Court Case No. 21STCV27188*
- *Eric Hardie v. Mattel, Inc., Los Angeles Superior Court Case No. 21STCV11096*
- *Brenda Hayden vs. Aftermath Services, LLC, Sacramento Superior Court Case No. 34-2020-00287716-CU-OE-GDS - Approved to act as class counsel*
- *Courtney Haynes vs. The GAP, Inc., Fresno Superior Court Case No. 21CECG02615- Approved to act as class counsel*
- *Chad Hooper v. Vizio, Inc., Orange Superior Court Case No. 30-2020-01144007-CU-OE-CXC*
- *Ghufran Khan v. Atlas Air, Inc., Los Angeles Superior Court Case No. 20STCV40478*
- *James Legare v. Lebo Automotive, Inc. Los Angeles Superior Court Case No. 20STCV03227*
- *Blanca Machain v. SST Senior Care, LLC Contra Costa Superior Court Case No. MSC20-00204*
- *Cheyenne Mallas v. Alexander Rivkin, MD, Inc. Los Angeles Superior Court Case No.*

21STCV21726

- *Charlie Meas v. Excel Test Prep Alameda Superior Court Case No. HG19027287-*
Approved to act as class counsel
- *Ashli Morris v. Kids Overcoming, LLC Alameda Superior Court Case No. HG20064207-*
Approved to act as class counsel
- *Fernando Pereyra v. Maverick Aerospace, LLC Los Angeles Superior Court Case No. 20STCV29642-* Approved to act as class counsel
- *Natalie Randazzo v. BCSF, Inc. San Francisco Superior Court Case No. CGC-20-585430*
- *Geovanni Romero v. The Nu Paradigm House, LLC Los Angeles Superior Court Case No. 21STCV35414*
- *Gabriela Ruiz v. Cotton Citizen, Inc. Los Angeles Superior Court Case No. 21STCV18414*
- *Issa Sakhel v. One World Beef LLC San Diego Superior Court Case No. 37-2021-00043571-CU-OE-NC*
- *Richard Ward v. Miller-Jones Mortuary & Crematory Riverside Superior Court Case No. RIC2002589-* Approved to act as class counsel
- *Christina Zamora v. Fresno Community Hospital Medical Center Fresno Superior Court Case No. 20CECG01220-* Approved to act as class counsel
- *Luz Padilla v. Joseph D. Ryan Los Angeles Superior Court Case No. 19STCV31003 -*
Approved to act as class counsel

EXHIBIT 5

Nicol E. Hajjar, Esq., SBN 303102
nicol@wilshirelawfirm.com
Elizabeth M. Votra, Esq., SBN 310717
evotra@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Tel.: (213) 381-9988
Fax: (213) 381-9989

Counsel for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JOHN ARIAS, individually and on behalf of
all others similarly situated; and JEFFREY
HENSLEY, individually and on behalf of all
others similarly situated

Plaintiffs,

vs.

FLOWSERVE US, INC., an individual; and
DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 22STCV27829

**CLASS ACTION AND
REPRESENTATIVE ACTION**

Assigned to Hon. Maren Nelson, Dept. 17

**DECLARATION OF JOHN ARIAS IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: February 9, 2024

Time: 9:00 a.m.

Dept.: 17

DECLARATION OF JOHN ARIAS

I, John Arias, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and could
and would competently testify to them under oath if called as a witness.

2. I am one of the named Plaintiffs in this action and submit this declaration in
support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. Because I
believe I have provided invaluable assistance during the course of this case, I am hopeful that
the Court will approve my request of a \$5,000 service payment for my role as a Class
Representative.

1 3. I am a former employee of Defendant Flowserve US Inc. (“Flowserve”). I
2 worked at Flowserve from approximately August 2018 to approximately September 2021 as an
3 hourly-paid, non-exempt employee. Throughout the entirety of my employment, I was subject
4 to Flowserve’s policies and practices as detailed in my complaint.

5 4. I filed this lawsuit because I was concerned that I was not paid properly for all
6 the hours that I worked, and I was not provided all of my meal and rest breaks. While working
7 at Flowserve, my coworkers and I were asked to work long hours because of the amount of
8 work, sometimes without taking meal and rest breaks. I also observed my co-workers working
9 long hours without taking breaks.

10 5. By originating this lawsuit as a Class Representative, I hoped that I might be
11 able to change Flowserve’s policies to better protect the working conditions of my co-workers.
12 I also understood it was my duty as a Class Representative to represent the best interests of the
13 class, know about the lawsuit, help my attorneys, and keep updated on the case.

14 6. Prior to commencing this case, I provided Wilshire Law Firm with a detailed
15 account of the facts related to my employment with Flowserve. Additionally, I provided my
16 counsel with documentation in the form of pay statements and other policy documents that
17 applied to my employment with Flowserve. Based on my conversations, my attorneys and I
18 were able to identify instances when I was not paid correctly.

19 7. I have invested a lot of personal time and energy while this lawsuit has been
20 pending. I made it a priority to be actively involved because I wanted to do everything I can to
21 assist my attorneys in prosecuting this case. I regularly communicated with my attorneys and
22 their staff to discuss updates on the case and to provide my attorneys with additional
23 information.

24 8. I spent multiple hours looking for documents that my attorneys asked me to
25 provide to help this case.

26 9. I also made myself available during the mediation for this case and I kept in
27 regular contact my attorneys before and after the mediation to ensure that any questions the
28 attorneys had could be answered.

1 10. I also reviewed pleadings filed in this case, including the settlement-related
2 documents.

3 11. I believe the settlement is a good settlement and I would recommend that the
4 Court approve it because I believe that this settlement is fair, adequate, and reasonable. I am
5 glad that I had the opportunity to represent the class in this lawsuit and that I was able to
6 recover money through a settlement for the class. I have also observed my attorneys' work
7 throughout this case, and I believe they have been thorough, diligent, prompt, courteous, and
8 professional.

9 12. Standing up for myself and the rights of others was not an easy decision, and I
10 am relieved that this is coming to an end. To date, I estimate that I have spent at least 45 hours
11 on this case.

12 13. I did not make the decision to file a class action lightly. I was concerned by the
13 attention a publicly filed lawsuit, and especially a class action, would attract. My name would
14 be associated with a lawsuit that I filed against my former employer. I was aware that it is
15 possible to perform background checks of publicly filed documents on the Internet and I am
16 mindful that future employers might not like that I filed this case. In fact, since my
17 employment with Flowserve ended in 2021, I was unable to obtain meaningful employment
18 with a different employer until September 2022.

19 14. I respectfully request that the Court award me a \$5,000 service payment. I am
20 receiving no additional compensation other than the compensation provided for me in the
21 settlement. Based on my involvement in this case and the benefits provided to my former co-
22 workers, I can say I helped stand up for the other workers who may have been too afraid to say
23 anything to management because they did not want to risk losing their jobs or risk the stigma
24 of suing an employer. I was not afraid to take that risk because I strongly care about helping
25 out my current and former co-workers. I also continue to fear that any employer may find out
26 that I participated in this lawsuit and hold it against me. In a competitive job market, this factor
27 may weigh heavily against me. Nevertheless, I felt that important rights were at stake that hurt
28 myself and other employees.

1 I declare under penalty of perjury, under the laws of the State of California and the
2 United States of America, that the foregoing is true and correct.

3 Executed on 10/31/2023 at Moreno valley, California.

4 DocuSigned by:
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6 F4E76BA2F67F4F5...
7 John Arias

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WILSHIRE LAW FIRM, PLC
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Los Angeles, California 90010
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Counsel for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JOHN ARIAS, individually and on behalf of
all others similarly situated; and JEFFREY
HENSLEY, individually and on behalf of all
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DOES 1 through 50, inclusive,

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CASE NO.: 22STCV27829

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REPRESENTATIVE ACTION**

Assigned to Hon. Maren Nelson, Dept. 17

**DECLARATION OF JEFFREY HENSLEY
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: February 9, 2024

Time: 9:00 a.m.

Dept.: 17

DECLARATION OF JEFFREY HENSLEY

I, Jeffrey Hensley, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and could
and would competently testify to them under oath if called as a witness.

2. I am one of the named Plaintiffs in this action and submit this declaration in
support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. Because I
believe I have provided invaluable assistance during the course of this case, I am hopeful that
the Court will approve my request of a \$5,000 service payment for my role as a Class
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1 3. I am a former employee of Defendant Flowserve US Inc. (“Flowserve”). I
2 worked at Flowserve from approximately September 2019 to approximately February 2021 as
3 an hourly-paid, non-exempt employee. Throughout the entirety of my employment, I was
4 subject to Flowserve’s policies and practices as detailed in my complaint.

5 4. I filed this lawsuit because I was concerned that I was not paid properly for all
6 the hours that I worked, and I was not provided all of my meal and rest breaks. While working
7 at Flowserve, my coworkers and I were asked to work long hours because of the amount of
8 work, sometimes without taking meal and rest breaks. I also observed my co-workers working
9 long hours without taking breaks.

10 5. By originating this lawsuit as a Class Representative, I hoped that I might be
11 able to change Flowserve’s policies to better protect the working conditions of my co-workers.
12 I also understood it was my duty as a Class Representative to represent the best interests of the
13 class, know about the lawsuit, help my attorneys, and keep updated on the case.

14 6. Prior to commencing this case, I provided Wilshire Law Firm with a detailed
15 account of the facts related to my employment with Flowserve. Additionally, I provided my
16 counsel with documentation in the form of pay statements and other policy documents that
17 applied to my employment with Flowserve. Based on my conversations, my attorneys and I
18 were able to identify instances when I was not paid correctly.

19 7. I have invested a lot of personal time and energy while this lawsuit has been
20 pending. I made it a priority to be actively involved because I wanted to do everything I can to
21 assist my attorneys in prosecuting this case. I regularly communicated with my attorneys and
22 their staff to discuss updates on the case and to provide my attorneys with additional
23 information.

24 8. I spent multiple hours looking for documents that my attorneys asked me to
25 provide to help this case.

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7 throughout this case, and I believe they have been thorough, diligent, prompt, courteous, and
8 professional.

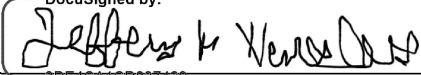
9 12. Standing up for myself and the rights of others was not an easy decision, and I
10 am relieved that this is coming to an end. To date, I estimate that I have spent at least 45 hours
11 on this case.

12 13. I did not make the decision to file a class action lightly. I was concerned by the
13 attention a publicly filed lawsuit, and especially a class action, would attract. My name would
14 be associated with a lawsuit that I filed against my former employer. I was aware that it is
15 possible to perform background checks of publicly filed documents on the Internet and I am
16 mindful that future employers might not like that I filed this case. In fact, since my
17 employment with Flowserve ended in 2021, I have not gained meaningful employment with a
18 different employer.

19 14. I respectfully request that the Court award me a \$5,000 service payment. I am
20 receiving no additional compensation other than the compensation provided for me in the
21 settlement. Based on my involvement in this case and the benefits provided to my former co-
22 workers, I can say I helped stand up for the other workers who may have been too afraid to say
23 anything to management because they did not want to risk losing their jobs or risk the stigma
24 of suing an employer. I was not afraid to take that risk because I strongly care about helping
25 out my current and former co-workers. I also continue to fear that any employer may find out
26 that I participated in this lawsuit and hold it against me. In a competitive job market, this factor
27 may weigh heavily against me. Nevertheless, I felt that important rights were at stake that hurt
28 myself and other employees.

1 I declare under penalty of perjury, under the laws of the State of California and the
2 United States of America, that the foregoing is true and correct.

3 Executed on 10/31/2023 at City, California.

4 DocuSigned by:
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6 Jeffrey Hensley
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WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010-1137

Justin Lo, Esq. (SBN: 280102)
Justin@caworklawyer.com
WORK LAWYERS PC
22939 Hawthorne Blvd., Suite 202
Torrance, CA 90505
Telephone: (424) 355-8535
Facsimile: (949) 258-8970

Counsel for Plaintiff ESTEBAN ROMO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

JOHN ARIAS, individually and on behalf of
all others similarly situated; and JEFFREY
HENSLEY, individually and on behalf of all
others similarly situated

Plaintiffs,

vs.

FLOWSERVE US, INC., an individual; and
DOES 1 through 50, inclusive,

Defendants.

CASE NO.: 22STCV27829

**CLASS ACTION AND
REPRESENTATIVE ACTION**

Assigned to Hon. Maren Nelson, Dept. 17

**DECLARATION OF ESTEBAN ROMO IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: February 9, 2024

Time: 9:00 a.m.

Dept.: 17

DECLARATION OF ESTEBAN ROMO

I, Esteban Romo, declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness.

2. I am one of the named Plaintiffs in this action and submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. Because I believe I have provided invaluable assistance during the course of this case, I am hopeful that the Court will approve my request of a \$5,000 service payment for my role as a Class Representative.

3. I am a former employee of Defendant Flowserve US Inc. ("Flowserve"). I worked at Flowserve from approximately September 2018 to approximately April 2022 as an

1 hourly-paid, non-exempt employee. Throughout the entirety of my employment, I was subject
2 to Flowserve's policies and practices as detailed in my complaint.

3 4. I filed this lawsuit because I was concerned that I was not paid properly for all
4 the hours that I worked, and I was not reimbursed for my expenses incurred while working at
5 Flowserve. During my employment with Flowserve, I worked long hours without taking
6 meal and rest breaks. I also observed my co-workers working long hours without taking
7 breaks.

8 5. By originating this lawsuit as a Class Representative, I hoped that I might be
9 able to change Flowserve's policies to better protect the working conditions of my co-workers.
10 I also understood it was my duty as a Class Representative to represent the best interests of the
11 class, know about the lawsuit, help my attorneys, and keep updated on the case.

12 6. Prior to commencing this case, I provided my attorneys with a detailed
13 account of the facts related to my employment with Flowserve. Additionally, I provided my
14 counsel with documentation in the form of pay statements and other policy documents that
15 applied to my employment with Flowserve. Based on my conversations, my attorneys and I
16 were able to identify instances when I was not paid correctly.

17 7. I have invested a lot of personal time and energy while this lawsuit has been
18 pending. I made it a priority to be actively involved because I wanted to do everything I can to
19 assist my attorneys in prosecuting this case. I regularly communicated with my attorneys and
20 their staff to discuss updates on the case and to provide my attorneys with additional
21 information.

22 8. I spent multiple hours looking for documents that my attorneys asked me to
23 provide to help this case.

24 9. I also made myself available during the mediation for this case and I kept in
25 regular contact my attorneys before and after the mediation to ensure that any questions the
26 attorneys had could be answered.

27 10. I also reviewed pleadings filed in this case, including the settlement-related
28 documents.

1 11. I believe the settlement is a good settlement and I would recommend that the
2 Court approve it because I believe that this settlement is fair, adequate, and reasonable. I am
3 glad that I had the opportunity to represent the class in this lawsuit and that I was able to
4 recover money through a settlement for the class. I have also observed my attorneys' work
5 throughout this case, and I believe they have been thorough, diligent, prompt, courteous, and
6 professional.

7 12. Standing up for myself and the rights of others was not an easy decision, and I
8 am relieved that this is coming to an end. To date, I estimate that I have spent at least 45 hours
9 on this case.

10 13. I did not make the decision to file a class action lightly. I was concerned by the
11 attention a publicly filed lawsuit, and especially a class action, would attract. My name would
12 be associated with a lawsuit that I filed against my former employer. I was aware that it is
13 possible to perform background checks of publicly filed documents on the Internet and I am
14 mindful that future employers might not like that I filed this case. In fact, since my
15 employment with Flowserve ended in 2022, I have not gained meaningful employment with a
16 different employer.

17 14. I respectfully request that the Court award me a \$5,000 service payment. I am
18 receiving no additional compensation other than the compensation provided for me in the
19 settlement. Based on my involvement in this case and the benefits provided to my former co-
20 workers, I can say I helped stand up for the other workers who may have been too afraid to say
21 anything to management because they did not want to risk losing their jobs or risk the stigma
22 of suing an employer. I was not afraid to take that risk because I strongly care about helping
23 out my current and former co-workers. I also continue to fear that any employer may find out
24 that I participated in this lawsuit and hold it against me. In a competitive job market, this factor
25 may weigh heavily against me. Nevertheless, I felt that important rights were at stake that hurt
26 myself and other employees.

27 I declare under penalty of perjury, under the laws of the State of California and the
28 United States of America, that the foregoing is true and correct.

WILSHIRE LAW FIRM, PLC
3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010-1137

Executed on 10/31/2023 at Los Angeles, California.

DocuSigned by:


Esteban Romo

SEA773428FF0426...

EXHIBIT 6

1 Nicol E. Hajjar (SBN 303102)
2 nicol@wilshirelawfirm.com
3 Elizabeth M. Votra (SBN 310717)
4 evotra@wilshirelawfirm.com
5 **WILSHIRE LAW FIRM**
6 3055 Wilshire Blvd., 12th Floor
7 Los Angeles, California 90010
8 Telephone (213) 381-9988
9 Facsimile: (213) 381-9989

Attorneys for Plaintiffs

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES – COMPLEX CIVIL DEPARTMENT**

10 JOHN ARIAS, individually, and on behalf of all
11 others similarly situated; and JEFFREY
12 HENSLEY, individually, and on behalf of all
13 others similarly situated,

Plaintiffs,

14 v.

15 FLOWSERVE US, INC.; and DOES 1 through
16 10, inclusive,

Defendants.

Case No. 22STCV27829

**DECLARATION OF JULIE GREEN ON
BEHALF OF CPT GROUP, INC.**

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1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath.

3. CPT Group, Inc. is located at 50 Corporate Park, Irvine, CA 92606.

5. I have been employed by CPT for 18 years, managing the operations department and supervising multiple notice and claims administration programs. As Senior Vice President of Operations, I am responsible for the oversight, supervision and evaluation of all departments and positions related to the administration of class action matters to ensure superior quality and successful execution of each component required to complete the settlement process. In my career at CPT, I have been responsible for the design and/or implementation of hundreds of class action notice plans.

7. Except for CPT's own counsel, which is not one of the law firms representing the parties, CPT does not have affiliation with any law firm or attorney. Neither CPT nor I have any affiliation with the law firms representing the parties in this matter.

1 8. CPT was selected by the parties in the above captioned matter to provide
2 administration services for this settlement. In this capacity, CPT will complete the following
3 tasks as part of its administration duties: (a) prepare, print, and mail to class members
4 notification of the pending settlement; (b) establish a dedicated toll-free number where class
5 members are able to speak to a live, bi-lingual representative regarding case information; (c)
6 process undeliverable mail and locate updated addresses for class members; (d) receive
7 objections submitted by class members; (e) receive and validate requests for exclusion
8 submitted by class members; (f) notify the parties of the identity of class members that filed
9 timely requests for exclusion; (g) receive other communications about the settlement; (h) file
10 any required reports with the court; (i) establish a fund for authorized claimants; (j) calculate
11 the amounts due to each class member pursuant to the settlement; (k) make payments to class
12 members through the established fund and file all applicable tax returns; and (l) handle any
13 uncashed checks as directed by the court.

14 9. Due to the sensitive nature of settlement administration, CPT follows a series of
15 strict protocols to protect the integrity of our work that include, but are not limited to, the
16 following: employing security controls and procedures throughout our business that comply
17 with AICPA SOC 2 Type II; requiring of secure file transfer of all Class Member data, account
18 and wire information; multifactor authentication to secure all email accounts; monitoring each
19 endpoint with modern Data Loss Prevention (“DLP”) software; implementation of strict policy
20 regarding the transmittal and storage of SI; requiring staff to complete regular cyber security
21 training; monthly external and internal vulnerability scans to ensure the integrity of our security
22 measures.

23 10. To protect against potential losses, CPT holds \$2,000,000 in Errors and
24 Omissions insurance, \$1,000,000 in Crime/Fidelity insurance, and \$5,000,000 in cyber
25 insurance.

26 11. A true and correct copy of CPT’s estimate associated with the administration of
27 this matter is attached as **Exhibit B**, which demonstrates how the price was calculated. It
28 provides for a flat fee of \$8,500, based on the hours and work involved as represented by counsel
and the terms of the parties’ Settlement Agreement at the time the quote was provided. This is

1 a fixed fee so long as the class size has been accurately represented.

2
3 I declare under penalty of perjury under the laws of the United States and state of
4 California that the foregoing is true and correct.

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6 Executed on October 25, 2023, at Irvine, California.

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10 JULIE GREEN
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EXHIBIT A

CURRICULUM VITAE



50 Corporate Park
Irvine, CA 92606



www.CPTGROUP.com



1 (800) 542-0900



COMPANY PROFILE

CPT Group, Inc. ("CPT"), founded in 1984, is a leading provider of notice and settlement class action administration services and has been appointed as the third-party administrator by all major courts. Throughout our history, CPT has disbursed billions of dollars in settlement funds, serviced tens of millions of class members, and administrated over 5,000 cases. CPT offers a wide range of class action administrative services for developing, managing, and executing all stages of integrated notice plans and settlements. This includes pre-certification and discovery mailings, class-certification mailings, claims processing and administration, data management, data reporting, settlement fund administration, legal noticing campaigns, website design, and web hosting. The project management team, call center, data entry center, IT, and production facilities are all located at the corporate headquarters in Irvine, CA.

QUALITY ASSURANCE & SECURITY

The integrity of CPT's work and our stringent quality assurance protocols are strengthened by the staff's ability to operate in close proximity keeping the work managed in-house. With a commitment to rigorous security protocols and controls, CPT upholds an obligation to its clients to maintain data and cyber security practices that comply with AICPA SOC 2 - Type II.

DIVERSITY & INCLUSION

CPT believes that promoting diversity starts with a commitment to building understanding and awareness. Diversity is not just cultural or ethnic, it includes people of all ages and backgrounds. We are guided by a commitment to removing barriers to the recruitment, retention, and advancement of talented individuals from historically excluded populations. CPT recruits and rewards team members based on capability and performance, regardless of race, gender, sexual orientation, gender identity or expression, lifestyle, age, educational background, national origin, religion, or physical ability.

AREAS OF EXPERTISE

- **PROJECT MANAGEMENT** - At the heart of our administrative capabilities is the ability to manage and process our cases as a neutral TPA with efficiency, accuracy, and in compliance with the terms of the parties' agreement. Our skilled approach in the use of technology, effective management, and quality assurance is the core of our operation.
- **Claims Administration** - CPT conducts extensive Quality Assurance processes throughout the duration of the claims period. Any responses received from Class Members are processed according to our strict internal procedures and in accordance with the Settlement Agreement. Counsel is provided with all required reporting, including, where applicable, a list of approved claimants and the settlement calculations for each.
- **Call Center** - CPT's case support representatives stand ready to service all case inquiries offering live, multi-lingual, 1-1 response, 5 days a week during business hours (extended hours available). Interactive Voice Response (IVR) assures that class members receive the assistance and support they require 24 hours a day. A proprietary call tracking system combined with highly trained representatives ensures an accurate class member history for each and every call.
- **Data Management/Reporting** - Through programmatic analysis, CPT will standardize the class data to compile a master mailing list. CPT prepares weekly status reports for each case that summarize the status of returns and responses such as mail pieces and claim form submissions. CPT is SOC 2 Type II certified, which ensures necessary measures are taken to safeguard all class member data.
- **Noticing Expertise** - CPT's legal notice experts have a combined experience of over 25 years in the industry and come together to plan a successful notice campaign based on the requirements of the Settlement. After strategizing and consulting with Counsel, our team will determine the best method of notification to reach your intended target audience. Whether notification will be through means of a known or unknown data set, CPT will execute the campaign with precision and accountability.
- **Settlement Fund Administration** - CPT's team of tax and accounting professionals manages all fund distributions through a rigorous and supervised process. Stringently following the terms of the Court Order, CPT maintains its Qualified Settlement Fund (QSF) accounts through federally insured banks with access restricted to authorized personnel only. On behalf of the QSF, CPT will handle all remittances and reporting to local, state, and federal tax authorities.

EXPERIENCE

CPT has extensive experience providing court-approved notice and administration services in complex, large fund, and top-tier class action settlements across a broad spectrum of unique subject matters. Below are highlights from a few relevant cases we handled:

- ***Helmick v. Air Methods Corp., Alameda County Superior Court, Case No. RG13665373***: (*Top Settlements, 2020*) Administration of this \$78,000,000 employment settlement included direct mailed notice to class members, production and maintenance of a settlement website, and distribution of over \$48,000,000 to eligible claimants.
- ***Wackenhut Wage and Hour Cases, Los Angeles County Superior Court, Case No. JCCP Np. 4545***: (*Top Settlements, 2019*) To notify potential class members in this \$130,000,000 wage and hour settlement, CPT provided email and text notice in both English and Spanish, maintained a dedicated settlement website with an online claims portal, and a toll-free support hotline. CPT's outreach efforts resulted in a 57.14% filing rate.
- ***Sanchez v McDonald's Restaurants of California, Los Angeles County Superior Court, Case No. BC499888***: (*Top Settlements, 2019*) Notice methods in this \$26,000,000 wage and hour settlement included both mailed notice in both English and Spanish and email notification, as well as a settlement website and toll-free case support hotline.
- ***Augustus et al. v. American Commercial Security Services, Inc., Los Angeles County Superior Court, Case No. BC336416***: (*Top Settlements, 2018*) Administration duties in this \$110,000,000 employment settlement included direct mailed notice to class members in both English and Spanish and distributing over \$72,000,000 in settlement funds to valid claimants.
- ***Abdullah v U.S. Security Associates, Inc., Case No. 2:15-cv-09-00984 PSG-E (C.D. Cal.)***: (*Top Settlements, 2018*) Administration of this \$21,000,000 wage and hour settlement included direct mailed notice to class members, class member support hotline and distribution of over \$13,000,000 to eligible claimants.
- ***Thompson v. 1-800 Contacts, Inc., Vision Direct, Inc., Walgreens Boots Alliance, Inc., Walgreen Co., Arlington Contact Lens Service, Inc., National Vision, Inc., Luxottica of America, Inc. (f/k/a Luxottica Retail North America, Inc.), Case No. 2:16-cv-01183 (D. Utah)***: This \$40 million-dollar anti-trust settlement comprised of four settlement classes required design and implementation of a robust, multi-faceted two-part notice program with a multi-layered media campaign combining the use of various digital advertisement platforms, a press release, a dedicated settlement website with an online claims portal, and a toll-free support hotline. The notice program also included an e-mail notice campaign to approximately 10,000,000 potential class members. Combined notice efforts resulted in over 140,000 claimants.
- ***Broomfield v. Craft Brew Alliance, Inc., Case No. 5:17-cv-01027-BLF (N.D. Cal.)***: CPT's outreach efforts in this \$20 million consumer settlement included a multi-media channel approach to notice which employed direct mailed notice and a digital, social, and mobile media campaign which reached an impressive 91.43% of the targeted 8,000,000 class members. CPT processed both electronic and hard copy claim forms and valid claimants were paid via paper checks, e-Check, and ACH.
- ***Livingston v. MiTAC Digital Corporation, Case No. 4:18-cv-05993-JST (N.D. Cal.)***: In this matter, CPT was charged with distributing direct notice via email and mail as well as the design and execution of a multi-media channel supplemental notice campaign that combined the use of various digital advertisement platforms, a nationwide press release, print publication, a dedicated settlement website, and a toll-free support hotline. Combined, these efforts reached 82% of the targeted audience. Claims processing included claim forms submitted both digitally and hard copy and valid claimants received paper checks.
- ***Lim, et al. v. In re Vendi, Inc., Superior Court of the State of California, County of Santa Clara, Case No. 1-14-CV-259897***: In this \$3 million data breach settlement, CPT notified approximately 9,000,000 potential class members through a combination of email, postcard, and publication notice. Claims processing included claim forms submitted both digitally and hard copy, and valid claimants received paper checks.

EXPERIENCE

- ***Mael v. Evanger's Dog and Cat Food Co., Inc., et al. Case No. NO. 3:17-cv-05469-RBL (W.D. Wash):*** Notice efforts included a multi-media program designed to reach settlement class members through a combination of direct and supplemental notification methods. Email, internet banner and social media advertisements, a dedicated settlement website, and a toll-free support hotline were used to effectively reach 87% of the target audience nationwide. CPT processed both electronic and hard copy claim forms and valid claimants were paid cash awards or product certificates.
- ***Jacobo, et al. v. Ross Stores, Inc., Case No. 2:15-cv-04701-MWF-AGRx (C.D. Cal.):*** In this \$4.85 million consumer settlement, CPT notified approximately 9,000,000 potential class members via direct email notice and a media campaign that combined the use of various digital advertisement platforms, a nationwide press release, print publication in People magazine, a dedicated settlement website, and a toll-free support hotline. Ultimately, CPT processed 285,000 claims and disbursed \$3,000,000 in merchandise certificates.
- ***Gold, et al. v. Lumber Liquidators, Inc., Case No. NO. 3:14-cv-05373-RS (N.D. Cal.):*** The Notice Plan for this matter relied heavily on direct notice, but to ensure effective reach also encompassed supplemental notice efforts including digital advertisements, a nationwide press release, a dedicated settlement website, and a toll-free support hotline. CPT processed claims submitted electronically, and hard copy and valid claimants were paid via a combination of paper checks and vouchers.
- ***Bokelman, et al. v. Zippy's/FCH Enterprises, Inc., United States District Court for the District of Hawaii, Case No. 18-00209-RJB-RLP:*** Notice efforts for this data breach settlement included a multi-media program designed to reach settlement class members through a combination of direct mail, email, in-store notice, and supplemental media. The digital notice campaign served impressions for 8-weeks across Google Display Network (GDN), programmatic display, press releases, Facebook, Instagram, Twitter, print publication, and Google Ads. Overall, the supplemental notice campaign alone reached 72% of the target audience nationwide.
- ***Coleman, et al. v. Boys Town National Research Hospital, District Court of Douglas County, Nebraska, Case No. D01CI18008162:*** Notice to 98,957 class members in this data breach settlement was mailed in April 2020 when CA businesses were under stay-at-home orders. CPT was able to execute and carry out all administrative duties outlined in the settlement agreement without any disruption due to our robust Pandemic Policy that was immediately put into practice once the Governor gave executive orders.
- ***Christofferson, et al., v. Creation Entertainment, Inc., Superior Court of the State of California, County of Los Angeles, Case No. 19STCV11000:*** Notice efforts for this data breach settlement included a multi-media program designed to reach settlement class members through direct mail, email, and supplemental media. The digital notice campaign served impressions across Google Display Network (GDN), programmatic display, PR Newswire national Newswire, Facebook, Instagram, Twitter, print publication, Google Ads and Bing Ads. CPT's supplemental notice program reached 75% of the target audience nationwide. In addition, CPT served notice to 94.6% of the class members for whom the defendant provided an email address and 99.5% by mail. CPT reported a 3.79% filing rate.



QUALIFICATIONS & EXPERIENCE OF KEY PERSONNEL



JULIE N. GREEN, **Senior Vice President of Operations** **Notice Expert**

With 17 years at CPT, Julie Green is a driving force behind the company's ongoing success. Through oversight responsibilities for the entire operation, she has an expert hand in all aspects of notice administration and demands quality and success for each step of the process. Making informed recommendations to meet the goals of complex and unique settlements, Julie has been responsible for the design and or implementation of thousands of class action notice programs. She understands the necessary mechanics to ensure that effective notice is executed while making certain neutrality and client confidentiality is continually maintained. In her position, Julie leverages the Operations Team's abilities to meet the goals and objectives of the Business Development Team, while ensuring that CPT's clients are met with exceptional service and a successful notice program. Julie holds a BA in Drama and Psychology & Social Behavior from the University of California, Irvine.

RANDI J. MARTZ, **Director of Marketing & Business Development** **Notice Expert**

Ms. Martz serves as Director of Marketing and Business Development and has been with CPT Group for more than 14 years. Randi is responsible for critically analyzing the requirements of a settlement for legal notification through secondary market research, data analysis, planning, and execution. Upon consulting with clients to determine the needs of the Settlement parties, Randi finds ways to increase efficiencies to implement cost savings for the RFPs. She is also tasked with researching and analyzing target markets to develop strategic and tactical plans to grow the business. As the liaison between the Business Development and Operations Teams, Randi collaborates on identifying critical business development and marketing opportunities to strengthen the Settlement and Client's core objectives. Randi received her B.A. in Business Administration, a Professional Concentration, from California State University of Fullerton.

NICK DAY, **Vice President, Business Development**

Nick Day has over 20 years of legal industry experience in both class action administration and electronic discovery services having held various positions with nationally recognized firms in both arenas. Based in Los Angeles, Nick is charged with developing new business opportunities on both the West Coast and nationally for CPT, providing consultation in class action noticing and settlement administration while maintaining existing clientele, both Plaintiff and Defense. Nick is a California native and earned a B.S. in Business Administration from University of San Diego.

JACQUELINE N.K. HITOMI, **Director of Settlement & Treasury Services**

Jackie Hitomi is the Director of Settlement & Treasury Services at CPT Group. With 15 years of experience in the class action industry, Jackie oversees the distribution process and is responsible for ensuring the accuracy of settlement calculations and compliance with court-approved agreements. Jackie manages a team of disbursement and tax administrators and provides guidance to the case management team for complex settlements. As a Director, Jackie serves as a trusted contact for clients and assists with the effectuation of multifaceted projects. She is also a key contributor to the development and execution of the settlement administration process. Jackie began her legal career as a Paralegal at the Orange County District Attorney's Office and has also held Senior Paralegal positions in several law firms in Orange County and Los Angeles. She received her B.A. in International Relations and Law & Public Policy, from the University of Southern California, and completed the ABA Paralegal Studies from the University of California, Los Angeles.

ABEL E. MORALES, **Director of Operations**

Abel Morales is the Director of Operations at CPT Group. Since joining CPT in 2010, Abel has handled hundreds of class action cases from inception through distribution and has become an expert in complex settlements. He is the primary client contact and is well trusted for his expertise in the class action industry. Abel oversees the Claims Processing Department, Production Department, and Class Member Support Services. His wide range of expertise provides valuable insight into all facets of the Administration process. Prior to CPT Group, Abel was a Senior Analyst for 9 years at a prominent Fortune 500 mutual insurance holding company. Abel also holds a B.A. in International Finance from the California State University of Fullerton. He is bilingual in Spanish.

QUALIFICATIONS & EXPERIENCE OF KEY PERSONNEL



J. LES GAINOUS, **Software Development Manager**

J. Les Gainous has over 30 years of experience in developing and architecting enterprise-level software applications, with 10 of those years as a solutions architect with the Microsoft Corporation. At Microsoft, Les was involved with major software application projects at many Fortune 50 companies, including corporations such as Motorola, Toyota America, Merck Pharmaceuticals, Chevron, VISA America, and Charles Schwab. At CPT his team is primarily responsible for architecting and engineering CPT's Line of Business software application. The application allows cross-case functionality via a centralized system-of-record data store. Having this cross-case functionality, the application allows for automating sets of processes around the administration of class action cases. Along with automation, his team minimizes data redundancies. Les is a graduate of Florida State University with a BS in Business Administration and a minor degree in Computer Science.

ALEJANDRA ZARATE, **Supervising Case Manager**

Alejandra Zárate de Landa is CPT Group's Case Quality Assurance Manager. In her role, she is responsible for analyzing the Stipulations of Settlement as well as the Court Orders to ensure compliance in all aspects of case administration as well as the allocation of settlement funds to class members. Alejandra started with CPT Group over 15 years ago in the claims department and became a Case Manager in 2009. She was promoted into her current role in 2016. Alejandra received her degree in Computer Engineering from Autonomous University of Baja California in Ensenada, B.C. Mexico. While earning her degree, she worked as a web development assistant and helped develop a web page for students interested in taking off-campus classes.

TIM CUNNINGHAM, **Supervising Case Manager**

Tim Cunningham has successfully managed over 400 cases in his 11 years at CPT Group. As Supervising Case Manager, under his direction, a team of Case Managers and Assistants are trained and guided to oversee all case activity—from administrative conception to disbursement. Tim and his team are also the primary contact between the firm and Counsel while also working closely throughout administration with the IT, Mailing, Claims, and Call Center departments. Prior to CPT Group, Tim was a Lead Relationship Manager for 10 years at a prominent Fortune 500 mutual insurance holding company. Tim earned his B.A. in Public Administration with a minor in English from California State University San Diego.

CAROLE THOMPSON, **Supervising Case Manager**

Carole Thompson is a Supervising Case Manager at CPT Group. In this role, she leads a team of Case Managers and Assistants and ensures the proper guidance and supervision is upheld for high accuracy levels and prompt adherence to court-ordered deadlines. She is also responsible for overseeing all case activities and having a comprehensive understanding of each case her team handles. Carole initially joined CPT in 2010 as a Case Manager. In her career prior, she spent 12 years in the Financial Industry at a prominent Fortune 500 annuities company. Then, when an opportunity took her family to Minot, North Dakota, she had to leave CPT, but gained 5 years of Human Resources expertise, first as Benefits Specialist at Trinity Health and then as a Benefits Coordinator at Food Management Investors, Inc. Upon returning to California in 2016, Carole rejoined CPT, providing a strong professional background to the team.

TARUS DANCY **Supervising Case Manager**

As a Supervising Case Manager at CPT Group, Tarus leads a team of Case Managers that oversee a breadth of cases, including Wage & Hour, pre-settlement Belaire, and Class Certification matters. With over a decade of experience in project management, Tarus brings a track record of guaranteeing projects are completed on schedule and in accordance with case specifications. In addition, his exceptional communication and leadership abilities support the continuity of the various projects he oversees. Tarus holds an M.B.A. in Project Management from the Florida Institute of Technology and a B.A. in Communications from the University of Memphis.

EXHIBITS

EXHIBIT 1. CPT'S INFORMATION SECURITY STATEMENT

EXHIBIT 2. CPT'S DATA AND SETTLEMENT FUND TRANSMISSION METHODS

EXHIBIT 1

INFORMATION SECURITY STATEMENT

Confidential



CPT Group, Inc. ("Company" or "CPT") maintains a comprehensive, written Information Security Program that complies with all applicable laws and regulations and is designed to (a) ensure the security, privacy and confidentiality of Class Member Information, (b) protect against any reasonably anticipated threats or hazards to the security or integrity of the Class Member Information, and (c) deny unauthorized access to, use, deletion, or modification of Class Member Information. As part of an ongoing effort, throughout its business CPT has implemented the following security controls and procedures:

- 1) Company uses Class Member Information only for the purposes for which Client provided it, as described in any Agreements and/or Court Order's governing the provisions of the Company's services on any particular engagement.
- 2) Company has designated one or more specifically named employees to be responsible for the administration of its Information Security Program.
- 3) Company has and maintains processes for identifying, assessing, and mitigating the risks to Class Member Information in each relevant area of the Company's operations and evaluating the effectiveness of the safeguards for controlling these risks.
- 4) Company utilizes an EDR that runs and analyzes daily Risk Assessment and Threat Intelligence scans on all company computer stations, servers and protected network subnets. These scans search for any software vulnerabilities along with data containing sensitive information ("SI").
- 5) All computers are provisioned with an advanced security stack. Company's Endpoint Protection centrally reports activity, handles patch management and security policies. Company's security stack is based on DNS and content filtering, deep packet inspection at the firewall level, antivirus/antimalware, email filtering and user behavior analysis. Each endpoint is monitored with modern Data Loss Prevention ("DLP") software. Company's DLP system prevents connection to unauthorized external storage, or cloud systems. It actively blocks screen prints and will not allow confidential user information to be sent out of our trusted network.
- 6) Login access to Company email or systems requires two factor authentication, which requires not only a password and username but also something physical, like user location, secure ID token or biometrics.
- 7) Company regularly monitors, tests and updates its Information Security Program.
- 8) Company restricts access to Class Member Information only to those employees, agents, or subcontractors who need to know the information to perform their jobs.
- 9) Company performs an annual audit of its Information Security Program and maintains compliance with **AICPA SOC 2 Type II**. This includes a review of the controls: vulnerability scans, secure software development life cycle, patch management, intrusion detection and prevention, encryption of storage media and devices. Company makes reasonable changes to its Information Security Program to ensure it can maintain safeguards that are appropriate for the Class Member Information at issue.
- 10) At Client's request, but only when and in a manner consistent with applicable Agreements and/or Court Orders, Company will securely destroy or return all Class Member Information in its possession and certify to Client in writing that Company has done so. If Company destroys Class Member Information rather than return it, Company will use destruction methods in compliance with all applicable state and federal laws and regulations, including NIST Special Publication 800-88, Revision 1 (2015). This obligation to return or destroy information shall not apply to Class Member Information that is stored in backup or other disaster recovery systems, archives or other storage systems that make it impractical to destroy the information, but if Company retains Class Member Information for these reasons, its obligation under the Settlement Agreement will continue to apply for so long as it retains the information. Additionally, the Company will retain all hard copy documents (i.e. Claim Forms, etc.) for a period of 6 months, at which time they are scanned and shredded on Company premises in compliance with NIST and SOC Cybersecurity Framework.
- 11) Company performs extensive background checks (County Criminal, County Civil and National Criminal Database Search) of all its employees, including a review of their references, employment edibility, and education verification to ensure they do not pose a risk to the security of Class Member Information or Clients employees. Company will provide, upon request, a copy of its background check requirements for Clients review and approval. Nothing in this document shall compel Company to disclose the results of such background information of its employees.

INFORMATION SECURITY STATEMENT

Confidential

12) Company conducts a monthly third-party credentialed vulnerability assessment with Trustwave. Vulnerabilities rated as high are patched/resolved within 48 hours, medium within 1 week, and low within 2 weeks. If a vulnerability cannot be resolved within our standard timeframe, a compensating control will be introduced to protect the vulnerable systems. To ensure Company receives timely information regarding new threats and vulnerabilities, Company subscribes to US-CERT notices as well as notices are received from Sonicwall and Crowdstrike. New threats are communicated to our executive and leadership team to disseminate to all employees within the company.

13) Company has implemented the following safeguards for systems that process, store or transmit Class Member Information:

- Identify and Access Management.
- Windows password complexity with a specific length, history, upper and lower characters, numbers, expiration every 45 days.
- Two-Factor authentication for remote access.
- Removable media devices, personal web-based email, instant message, or online storage (i.e. Dropbox, Google Drive, iCloud, etc.) are blocked and restricted.
- Company uses the Microsoft Office 365 to host corporate email.
- Company uses the HTTPS or SFTP standard for all data transmissions and ensures that all Client Data is encrypted while in transmission between Company's data center and the Company's computer system or other devices (as applicable) and at rest, consistent with SOC 2 Type II standard, but no less than a 128-bit key for symmetric encryption and a 1024-bit key for asymmetric encryption.
- Company requires its clients and self to transfer files with sensitive Class Member Information via a secure transmission protocol through Citrix Sharefile FTP which secures file during transfer with SSL/TFL encryption protocols and in storage using AES 256-bit encryption. Links to files expire after 7 days. Company requires all files transferred in this method to be password protected during transmission and password to be provided telephonically. Files are retrieved by Company, and then deleted manually upon successful download (or auto deleted after 7 days from upload by system).
- Upon hire and annually thereafter, security training of all employees using the online security training platform Knowbe4. Users are required to complete one hour of security training per year. Users are required to take tests online to ensure they've retained the knowledge. Topics covered are spear phishing emails, compromised website, social engineering, strong passwords, ransomware, handling sensitive information, mobile device security.
- Company actively tests security defenses. Staff participate in simulated phishing exercises to reinforce previous training. Company also conducts monthly external penetration tests and daily internal vulnerability scans to ensure the integrity of our security measures.
- Terminated employees are immediately prevented from accessing Class Member Information.
- Appropriately configured and updated firewall, antivirus, and spyware software;
- Separation of Duties.
- Business Continuity Planning.
- Disaster Recovery Planning.
- Pandemic Recovery Planning

14) Company's physical security requires that employees use an encoded card-key to gain access to the facility as all doors are mechanically locked at all times. Employees can only enter or exit through a front door or back door, both of which are protected by security cameras. Inside the facility, secure areas in the office that contain checks or sensitive material are also protected by electronic card-key badge access and limited to select employees. Security cameras monitor the areas that contain the sensitive material and audits are conducted periodically on the area. Access to the server room is strictly limited to only five individuals and protected by the encoded card-key badge access. Security cameras monitor the inside and outside of the secured area with audits being conducted periodically.

INFORMATION SECURITY STATEMENT

Confidential

15) Company staff are required to maintain in compliance with the Information Security Policies, Compliance Manual, and Non-Disclosure Agreement. The matters covered in the Code of Business Conduct and Ethics are of the utmost importance to the Company and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all officers, directors, employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company. The Company will take appropriate action against any officer, director, employee, agents, contractor or consultant whose actions are found to violate these policies or any other policies of the Company. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion. If the Company has suffered a loss, then it may pursue its remedies against the individuals or entities responsible. If laws have been violated, then the Company will fully cooperate with the appropriate authorities.

Definitions

- 1) **"Class Member Information"** means Class Member name, address, or other contact information and class member claim filing information necessary for Company to perform services required by applicable Agreements or Court Orders in context to the Administration of a Settlement or other Class Action litigation.
- 2) **"Client"** means collectively Plaintiff Counsel and Defense Counsel, Plaintiff and Defendant.
- 3) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under the Settlement Agreement, as provided by Client.
- 4) **"Company"** means CPT Group, Inc. a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- 5) **"Sensitive Personal Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall not include any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.



EXHIBIT 2

TRANSMISSION METHODS FOR SENSITIVE INFORMATION

CPT Group, Inc. ("CPT") maintains strict guidelines for the submission, transfer, and protection of Client Data and Wire Information.

A. CLIENT DATA TRANSMISSION METHODS

Counsel shall submit all Client Data to CPT as follows:

- 1.Link provided by CPT to secure FTP (sharefile) for transfer of data files.
- 2.All files uploaded should be password protected.
- 3.Password provided to CPT personnel telephonically.
- 4.Once files are uploaded to and retrieved, files are deleted (files set on autodelete after 7 days of upload).

Counsel agrees and acknowledges that the above method is the only method authorized by CPT to receive Client Data. Attempts to transmit Client Data by other means are customarily not accepted. In the event Counsel utilizes other means to transmit or attempt to transmit Client Data, CPT disclaims all responsibility for such transmissions or attempted transmissions.

B. BANK WIRE INFORMATION

Incoming from Defense Counsel to QSF.

CPT provides Qualified Settlement Fund bank account wire instructions to Defense Counsel as follows:

- 1.Wire instructions are printed in PDF format, are uploaded with password protection, and are made available to Defense Counsel via secure Sharefile.
- 2.CPT will call Defense Counsel directly and provide the password telephonically.
- 3.Defense Counsel is requested to then call CPT prior to wiring funds to confirm receipt of all applicable information.

Defense Counsel agrees and acknowledges that the above method is the only method authorized by CPT to communicate QSF wire instructions. CPT will decline attempts by Defense Counsel to receive such instructions by other means. In the event Defense Counsel utilizes other means to transmit or attempt to transmit wire instructions, CPT disclaims all responsibility and liability for such transmissions or attempted transmissions including without limitation for any unauthorized access, acquisition, destruction, or loss of such wire instructions.

Outgoing from QSF to Plaintiff Counsel.

- 1.CPT does not send passwords via email either internally or externally.
- 2.For wire instructions for Plaintiff Counsel, such instructions should be communicated to CPT either by phone or by secure Sharefile.
- 3.CPT will confirm wire information on file with the bank name and last four digits of the account number only.

Plaintiff Counsel agrees and acknowledges that the above method is the only method authorized by CPT to communicate wire instructions. CPT will decline attempts by Plaintiff Counsel to receive such instructions by other means. In the event Plaintiff Counsel utilizes other means to transmit or attempt to transmit wire instructions, CPT disclaims all responsibility and liability for such transmissions or attempted transmissions including without limitation for any unauthorized access, acquisition, destruction, or loss of such wire instructions.

EXHIBIT 3



Class Action Administrators

The Industry's Premier
Class Action Administrator



CPT Group is the Nation's premier Class Action Claims Administrator handling a broad spectrum of cases with value-added, single-source expertise, and premier service.

Putting CPT Group in place as your Administrator influences every element of the process thereafter. Rely on us to analyze, plan, and administrate with integrity, drawing from a broad base of administration experience with class action settlement and beyond.

Value Added Philosophy

CPT Group's cadre of experts understands how each piece of the administrative puzzle fits seamlessly into the big picture. Dynamic, capable, and service-centric our elite staff delivers peak productivity and value. The longevity of our Administrators, stringently tested Case Managers, and trusted Consultants merge to assure neutrality, attention to detail and quality for "true-number" proposals and no costly surprises.

Best In Class Service

From informed Case Managers who are your single point of contact, to secure in-house resources, we work as one to bring you superior service you can rely on. Count on us to be fully up to date, aware of all contingencies, and espond with speed and accuracy.

Capabilities

Selecting CPT Group is the first step in determining the outcome of your settlement. Multifaceted capabilities, the distinct advantage of experience, particularly in cross category settlements, require that all pieces are organized, positioned correctly and put into place.

One team. One purpose. We put you first.

Proprietary Technology and Superior Workflow

Without doubt, the security of settlement information is of the utmost importance.

AdminLink: Internal Case Information Access Management

Exclusive proprietary technology offers access to real time reports, response rates and more, 24/7. With AdminLink, our operations staff can access current case information in one single location, ensuring every CPT staff member involved in your case is up to date and has all the information they need at their fingertips.

Comprehensive Marketing

Our onsite print/mail house and web development team not only affords you greater value and tighter security, we assure full legal compliance in all materials and up to date information for all class members, thereby reducing demands on client time and resources.

Comprehensive Service

Pre-Settlement Consulting

Entrusting class action administration to CPT Group is the first step in the confident achievement of the goals of the lawsuit. Our full spectrum consultation services address every critical area of need, providing clear and actionable planning combined with cost-effective administration.

- Preliminary Approval Declarations
- Settlement Agreement Consultation
- Timelines
- Scheduling
- Statistical Reporting
- Notice Campaign Planning
- Neutral Third Party Administrator

Legal Notification

CPT Group is adept at third-party data hosting and communication services using proprietary technology across multiple platforms, including print, media and online. Clear-language

documents, translated according to class member needs, support and guide members through a seamless case rollout, regardless of scope or complexity.

- Pre-Certification/Belaire West/Privacy Mailing
- Class Certification Noticing
- Settlement Notification
- Formatting Legal Notices
- Electronic Notification email/website
- Translation Services
- In-House Production
- Expert Legal Noticing Campaigns
- In-House Translation Services

Data Management

Quality, accuracy, speed and security are the cornerstones of CPT's proprietary technology and data management systems. We developed our specialized data management, analysis and reporting tools to move the skillset up, innovate new and better solutions and create a superior workflow with complete and timely accountability and efficiency.

- Data Analysis
- Data Entry
- Data Management
- Secure Data Transfer
- Data Reporting

Class Member Assistance

Customer response and targeted outreach receive multilevel attention. We have a massive capacity to handle this all-important aspect of settlement administration. Our multilingual call center offers class members 1:1 responsiveness. Interactive Voice Response assures that class members receive the assistance and support they require. Our proprietary, case-specific call tracking system uses dedicated toll-free numbers, and highly trained



representatives to document and maintain an accurate class member history of interaction.

- Live Call Center Support (multilingual)
- Interactive Voice Response (IVR) capabilities
- Proprietary Call Tracking System

Claims Administration

At the heart of CPT's administrative capabilities is our ability to process claims accurately, efficiently and in full compliance. Our skilled approach to using technology and controlling management costs is the bedrock of our effectiveness. Regardless of class size or case intricacy, we address all aspects of administration to provide comprehensive and complete solutions.

- In-House Secure Data Processing
- Track & Process Undeliverable Mail
- Claims Processing (mail/online)
- Host & Maintain Case Websites
- Secure Claims Validation

Settlement Fund Administration

CPT's centralized fund distribution process manages fully audited and securely supervised accounts, handling all aspects of Federal and State tax filings and forms printing and distribution to all recipients.

- Secure Disbursement Processing

- Qualified Settlement Fund (QSF) Management (establish/maintain)
- Federal and Multi-State Tax Reporting (W2/1099)
- Physical Checks, ACH, eCheck, Merchant eGift Cards, Merchant Physical Gift Cards, and Prepaid Debit Cards Options
- Escheatment of Unclaimed Settlement Funds
- Cy Pres Distribution

Widespread Experience

- | | |
|----------------------------|-----------------------|
| • FLSA | • Government Services |
| • Wage & Hour | • Insurance |
| • Labor & Employment | • Securities |
| • PAGA | • Finance |
| • Consumer | • Antitrust |
| • Product Liability | • ERISA |
| • Data Breach Notification | |

Contact Us 800.542.0900

CPT Group, Inc. is not just part of the solution. It is the solution. Please allow us to answer your questions and discuss your immediate and future needs.

EXHIBIT B

CASE NAME: FLOWSERVE US, INC.

Date: October 24, 2023

Requesting Attorney: Elizabeth Votra

Plaintiff or Defense: Plaintiff

Firm Name: Wilshire Law Firm, PLC

Telephone: (213) 381-9988 Ext.452

Email: evotra@wilshirelawfirm.com

All-In Settlement

Class Size: 317

Opt-Out Rate: 1.5%

No. of Checks Issued: 312

Postage Total: \$517.84

Grand Total: \$12,148.89

DISCOUNTED FLAT FEE: \$8,500.00

The services and numbers reflected herein are an estimate provided by counsel. If the actual services and number are different, our cost estimate will change accordingly.

The attached Terms and Conditions are included as part of our cost proposal. By accepting our costs proposal for this matter, you are thereby agreeing to the Terms and Conditions.

CASE SETUP

Upon Intake of the Data, CPT will Scrub all Records to a Useable Format to Reduce Duplicates, Anomalies and Increase the Success Rate of Deliverability of the Class Notice. Class Members will be Assigned a Unique Mailing ID which will be Used Throughout Administration. The Notice Packet will be Translated into Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Case Intake & Review	\$95.00	3	\$285.00
Programming: Data Base Setup	\$150.00	3	\$450.00
Spanish Translation	\$1,200.00	1	\$1,200.00
TOTAL			\$1,935.00

DIRECT MAIL NOTICE

To Ensure Mailing to the Most Current Address Possible, CPT will Perform an Address Update via NCOA and Further Skip Trace if Necessary. CPT will Mail a Full-Length Notice & 1-Page Exclusion Form in English & Spanish.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Manager: Format Documents	\$95.00	2	\$190.00
National Change of Address Search (NCOA)	\$135.00	1	\$135.00
XML Lex ID Skip Trace	\$0.85	32	\$27.20
Print & Mail Notice Packets	\$1.50	317	\$475.50
First-Class Postage (up to 2 oz.)*	\$0.87	317	\$275.79
TOTAL			\$1,103.49

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

PROCESS RETURNED UNDELIVERABLE MAIL

Based On CPT's Historical Data, 5% of the Notices will be Returned Undeliverable. Upon Receipt, CPT will Perform a Skip Trace in an Attempt to Obtain a Current Address; Thus, 70% of the Undeliverable Notice Packets are Remailled.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Clerical Staff	\$60.00	1	\$60.00
Update Undeliverable Mail Database	\$0.50	16	\$8.00
Skip Trace for Best Address	\$1.00	14	\$14.00
Print & Remail Notice Packets	\$1.50	11	\$16.50
First-Class Postage (up to 2 oz.)	\$0.87	11	\$9.57
TOTAL			\$108.07

OPT-OUT PROCESSING

CPT will Process and Validate all Opt-Outs and Other Responses from Class Members. Deficient Opt-Outs will Receive a Deficiency Notice by

Mail and Provide an Opportunity to Cure. CPT will Scrub the Filed Opt-Outs to Eliminate Duplicates, Fraudulent, and Otherwise Invalid.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: De-duplication/Scrubbing	\$150.00	1	\$150.00
Project Manager: Validate Opt-Out Requests	\$95.00	1	\$95.00
Clerical Staff	\$60.00	1	\$60.00
Opt-Out & Change of Address Processing	\$2.00	5	\$9.51
Print & Mail Deficiency/Dispute Notices	\$1.50	1	\$1.50
First-Class Postage (up to 1 oz.)	\$0.66	1	\$0.66
Review & Process Deficiency Responses	\$10.00	1	\$10.00
		TOTAL	\$326.67

TELEPHONE SUPPORT

CPT will Maintain a Toll-Free Phone Number with IVR Capabilities and Live Class Member Support Representatives During Normal Business Hours, Monday-Friday, 9:00 AM - 5:30 PM, PT. The Dedicated Case Phone Number will Remain Active Up to 120 Days After Disbursement.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Toll-Free Number Establish/Setup	\$150.00	2	\$300.00
Live Call Center Support Reps.	\$3.00	64	\$192.00
		TOTAL	\$492.00

SSN VERIFICATION

Verify SSN for Validity with IRS / IRS Backup Withholdings

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: SSN Selection	\$150.00	1	\$150.00
Department Manager: Analysis & Reporting	\$95.00	3	\$285.00
IRS SSN Verification	\$0.10	312	\$31.22
		TOTAL	\$466.22

DISTRIBUTION SERVICES

CPT will Establish and Manage the Qualified Settlement Fund (QSF) for up to One Year After Disbursement. Upon Approval, CPT will Perform all Necessary Calculations and Disburse Funds. CPT will Mail an 8.5"x11" MICR Check to Valid Claimants. CPT Uses a Payee Positive Pay System to Reconcile Checks Cashed and Conducts Monthly Account Reconciliations for the QSF.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Programming: Calculation Totals	\$150.00	3	\$450.00
Project Supervisor: Review of Distribution	\$150.00	3	\$450.00
Project Manager: Correspondence w/Parties	\$95.00	2	\$190.00
Programming: Setup & Printing of Checks	\$150.00	3	\$450.00
Obtain EIN, Setup QSF/Bank Account	\$150.00	3	\$450.00
Print & Mail Notice, Checks & W2/1099	\$2.50	312	\$780.61
First-Class Postage (up to 1 oz.)*	\$0.66	312	\$206.08
		TOTAL	\$2,976.69

*Postage costs are subject to change at anytime. The final rate will be determined at the time of mailing.

POST-DISTRIBUTION & TAX REPORTING

Any Check Returned Undeliverable is Skip Traced to Locate a Current Address and Remailed Accordingly. CPT will Process Requests for Check Reissues Continuously. CPT Prepares Annual Tax Reporting on Behalf of the QSF and Federal and State Taxes in Accordance with Current State and Federal Regulations. Upon the Conclusion of the Settlement, a Final Report and Declaration will be Provided to all Parties.

ADMINISTRATIVE TASKS	UNIT PRICE	PIECES/HOURS	COST ESTIMATE
Project Supervisor: Account Reconciliation	\$150.00	10	\$1,500.00
Update Undeliverable Checks Database	\$0.50	25	\$12.50
Skip Trace for Best Address	\$1.00	25	\$25.00
Remail Undeliverable Checks	\$2.50	23	\$57.50
First-Class Postage (up to 1 oz.)	\$0.66	23	\$15.18
Re-Issue Checks as Required	\$5.00	16	\$80.00
First-Class Postage (up to 1 oz.)	\$0.66	16	\$10.56
Project Supervisor: Reconcile Uncashed Chk	\$150.00	1	\$150.00
Programming: Weekly & Final Reports	\$150.00	2	\$300.00
Project Supervisor: Final Declaration	\$150.00	2	\$300.00
Project Manager: Account Files Sent to Atty	\$95.00	2	\$190.00
CA Tax Preparation*	\$600.00	1	\$600.00
Annual Tax Reporting to IRS*	\$1,000.00	1	\$1,000.00
QSF Annual Tax Reporting	\$500.00	1	\$500.00
TOTAL			\$4,740.74

*CPT will file Federal and California taxes in accordance to current state and federal regulations. Additional charges will apply if the Settlement/Order/parties require(s) multiple state tax filings.

GRAND TOTAL	\$12,148.89
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TERMS AND CONDITIONS

These Terms and Conditions are made a part of, and incorporated by reference into, any cost proposal or Bid presented by CPT Group, Inc. to Client

1. Definitions.

- a) **"Affiliate"** means a party that partially (at least 50%) or fully controls, is partially or fully controlled by, or is under partial (at least 50%) or full common control with another party.
- b) **"Approved Bank"** means a financial institution insured by the Federal Deposit Insurance Corporation with capital exceeding \$1 billion.
- c) **"Case"** means the particular judicial matter identified by the name of plaintiff(s) and defendant(s) on the applicable Order.
- d) **"Claims Administrator"** means CPT Group, Inc., a reputable third-party Claims Administrator selected by all the Parties (Plaintiff and Defense Counsel) to administer the Settlement or Notification Mailing.
- e) **"Client"** means collectively Plaintiff Counsel and Defense Counsel.
- f) **"Client Content"** means all Class Member written document communications relating to the Case, including claim forms, opt-out forms, and objections, which contain Client Data.
- g) **"Client Data"** means proprietary or personal data regarding Client or any of its Class Members under this Agreement, as provided by Client.
- h) **"Class Member"** means an individual who is eligible under the Settlement Agreement to receive a designated amount of the Settlement, including the named Plaintiff(s) in the Case and all other putative persons so designated or addressed therein.
- i) **"Confidential Information"** means any non-public information of CPT or Client disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects, or to which the other party may have access, which a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" or some similar designation by the disclosing party. Confidential Information shall also include the terms of this Agreement, except where this Agreement specifically provides for disclosure of certain items. Confidential Information shall not, however, include the existence of the Agreement or any information which the recipient can establish: (i) was or has become generally known or available or is part of the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.
- j) **"Court Order"** means a legal command or direction issued by a court, judicial office, or applicable administrative body requiring one or more parties to the Case to carry out a legal obligation pursuant to the Case.
- k) **"Defendant"** means the named party and/or parties in the Case against whom action is brought.
- l) **"Defense Counsel"** means the attorney of record for the defendant(s) in the Case.
- m) **"Intellectual Property Right"** means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising in any jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- n) **"Order"** means a Product purchase in a schedule, statement of work, addendum, exhibit, or amendment signed by Client and CPT.
- o) **"Parties"** shall mean collectively Defendants, Defense and Plaintiff as defined in the Settlement Agreement or Court Order.
- p) **"Plaintiff"** means the named party and/or parties in the Case who are bringing the action.
- q) **"Plaintiff Counsel"** means the attorney of record for plaintiff Class Members in the Case.
- r) **"Products"** means any and all CPT Services, and work products resulting from Services.
- s) **"Qualified Settlement Fund"** means the entity as defined by Treasury Regulation section 4686-1 under which a bank account is established to receive settlement funds from the Defendant in the Case, which such funds are then disbursed by CPT according to the Settlement Agreement and pursuant to Court Order.

- t) **"Service"** means any service rendered by CPT specifically to Client, including, but not limited to: (i) notifications to Class Members; (ii) setting up a Qualified Settlement Fund with a financial institution; (iii) management of disbursement of funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement; (iv) provision of customer support relating to the Case; (v) management of Case claim forms and correspondence; and/or (vi) any administrative or consulting service.
 - u) **"Software"** means any and all of CPT's proprietary applications, including, without limitation, all updates, revisions, bug-fixes, upgrades, and enhancements thereto.
 - v) **"Settlement"** means the total dollar amount agreed to between parties to the Case, as negotiated by Plaintiff Counsel and Defense Counsel, to resolve the Case to mutual satisfaction.
 - w) **"Settlement Agreement"** means the contract between parties to the Case to resolve the same, which specifies amounts to be disbursed from the Qualified Settlement Fund to attorneys, CPT, and individual Class Members.
 - x) **"Term"** means the term of the Agreement, as set forth in the Order.
 - y) **"Transmission Methods"** means the secure authorized manner to send Client Data and/or Wire Information as specified on a schedule or Order hereto.
 - z) **"Wire Information"** means instructions for (i) Defense Counsel to transfer funds from Defendant to the Qualified Settlement Fund or (ii) CPT to transfer funds from the Qualified Settlement Fund to applicable parties pursuant to the Settlement Agreement.
2. Client Obligations. Client will ensure that it has obtained all necessary consents and approvals for CPT to access Client Data for the purposes permitted under this Agreement and shall only transmit Client Data and/or Wire Instructions to CPT via the Transmission Methods. Client shall use and maintain appropriate administrative, technical, and physical safeguards designed to protect Client Data provided under this Agreement. Client shall not send, or attempt to send, Client Data and/or Wire Instructions via email, facsimile, unprotected spreadsheet, USB flash drive or other external or removable storage device, cloud storage provider, or any other method not specified in the Transmission Methods. Notwithstanding the foregoing, Client acknowledges and understands that the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, and/or destroyed. Client further warrants that any Client Data and/or Wire Instructions it transmits shall be free of viruses, worms, Trojan horses, or other harmful or disabling codes which could adversely affect the Client Data and/or CPT. If Client is in breach of this section, CPT may suspend Services, in addition to any other rights and remedies CPT may have at law or in equity.
3. Security. The Parties and CPT shall each use reasonable administrative, technical, and physical safeguards that are reasonably designed to: (a) protect the security and confidentiality of any personally identifiable information provided by Class Members and/or Client under this Agreement; (b) protect against any anticipated threats or hazards to the security or integrity of such personally identifiable information; (c) protect against unauthorized access to or use of such personally identifiable information that could result in substantial harm or inconvenience to any individual; and (d) protect against unauthorized access to or use of such personally identifiable information in connection with its disposal. Each Party will respond promptly to remedy any known security breach involving the personally identifiable information provided by you and/or Client under this Agreement and shall promptly inform the other Parties of such breaches.
4. CPT Obligations. Provided that Client complies with all provisions of Section "Client Obligations", CPT will (i) maintain appropriate safeguards for the protection of Client Data, including regular back-ups, security and incident response protocols, and (ii) not access or disclose Client Data except (A) as compelled by law, (B) to prevent or address service or technical issues, (C) in accordance with this Agreement or the provisions of the Settlement Agreement, or (D) if otherwise permitted by Client.
5. Mutual Obligations.
- a) Resources. Each party agrees to: (i) provide the resources reasonably necessary to enable the performance of the Services; (ii) manage its project staffing, milestones, and attendance at status meetings; and (iii) ensure completion of its project deliverables and active participation during all phases of a Service project. The parties acknowledge that failure to cooperate during a Service project may delay delivery of the Service.

If there is a delay, the party experiencing the delay will notify the other party as soon as reasonably practicable, and representatives of each party will meet to discuss the reason for the delay and applicable consequences. Changes beyond the scope of an Order and/or a party's delay in performing its obligations may require an amended Order.

- b) **Incident Notification.** Each party will promptly inform the other parties in the event of a breach of Client Data in their possession and shall utilize best efforts to assist the other parties to mitigate the effects of such incident.
6. **Qualified Settlement Fund Account.** At Client's request, CPT shall be authorized to establish one or more bank accounts at an Approved Bank. The amounts held at the Approved Bank under this Agreement are at the sole risk of Client. Without limiting the generality of the foregoing, CPT shall have no responsibility or liability for any diminution of the funds that may result from the deposit thereof at the Approved Bank, including deposit losses, credit losses, or other claims made against the Approved Bank. It is acknowledged and agreed that CPT has acted reasonably and prudently in depositing funds at an Approved Bank, and CPT is not required to conduct diligence or make any further inquiries regarding such Approved Bank.
7. **Fees and Payment.** Pricing stated within the proposal is good for 90 Days. All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the Client data and /or notice documents. Client will be invoiced for any remaining fees according to the applicable Order. Pricing stated within any proposal from CPT to Client is for illustrative purposes only and is only binding upon an Order executed by CPT and Client. Payment of fees will be due within 30 days after the date of the invoice, except where this Agreement expressly prescribes other payment dates. All fees set forth in an Order are in U.S. dollars, must be paid in U.S. dollars, and are exclusive of taxes and applicable transaction processing fees. Late payments hereunder will incur a late charge of 1.5% (or the highest rate allowable by law, whichever is lower) per month on the outstanding balance from the date due until the date of actual payment. In addition, Services are subject to suspension for failure to timely remit payment therefor. If travel is required to effect Services, Client shall reimburse CPT for pre-approved, reasonable expenses arising from and/or relating to such travel, including, but not limited to, airfare, lodging, meals, and ground transportation.
8. **Term and Termination.**
- a) **Term.** The Term is set forth in the Order. The Agreement may be renewed by mutual written agreement of the parties.
- b) **Termination for Cause.** Either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder, and, where capable of remedy, such breach has not been materially cured within forty-five (45) days of the breaching party's receipt of written notice describing the breach in reasonable detail.
- c) **Bankruptcy Events.** A party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.
- d) **Effect of Termination.** Immediately following termination of this Agreement, upon Client's written request, Client may retrieve Client Data via Client's secure FTP site in the same format in which the Client Data was originally inputted into the Software, at no additional charge. Alternatively, Client Data can be returned in a mutually agreed format at a scope and price to be agreed. CPT will maintain a copy of Client Data and Client Content for no more than four (4) years following the date of the final check cashing deadline for Class Members under the Settlement Agreement, after which time any Client Data and Client Content not retrieved will be destroyed.
- e) **Final Payment.** If Client terminates this Agreement due to Section "Termination", Client shall pay CPT all fees owed through the termination date. If CPT terminates the Agreement in accordance with Section "Termination," Client shall pay CPT all fees invoiced through the termination date, plus all fees remaining to be invoiced during the Term, less any costs CPT would have incurred had the Agreement not been terminated.
- Confidentiality.** Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties except as mandated by law and except to those subcontractors of CPT providing Products hereunder who agree to be bound by confidentiality obligations no less stringent than those set forth in this Agreement; (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; **provided, however,** that such party shall use at least reasonable care. These obligations shall survive termination of this Agreement.
- a) **Compelled Disclosure.** If receiving party is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of law, such party shall (i) promptly notify the other party, (ii) reasonably cooperate with the other party in such party's efforts to prevent or limit such compelled disclosure and/or obtain confidential treatment of the items requested to be disclosed, and (iii) shall disclose only that portion of such information which each party is advised by its counsel in writing is legally required to be disclosed.
- b) **Remedies.** If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to seek equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.
10. **Intellectual Property.** As between the parties, CPT will and does retain all right, title and interest (including, without limitation, all Intellectual Property Rights) in and to the Products. Client retains all ownership rights to Client Data.
11. **Indemnification.** Client agrees to indemnify, defend, and hold harmless CPT, its Affiliates, and the respective officer, directors, consultants, employees, and agents of each (collectively, Covered CPT Parties") from and against any and all third party claims and causes of action, as well as related losses, liabilities, judgments, awards, settlements, damages, expenses and costs (including reasonable attorney's fees and related court costs and expenses) (collectively, "Damages") incurred or suffered by CPT which directly relate to or directly arise out of (i) Client's breach of this Agreement; (ii) CPT's performance of Services hereunder; (iii) the processing and/or handling of any payment by CPT; (iv) any content, instructions, information or Client Data provided by Client to CPT in connection with the Services provided by CPT hereunder. The foregoing provisions of this section shall not apply to the extent the Damages relate to or arise out of CPT's willful misconduct. To obtain indemnification, indemnitee shall: (i) give written notice of any claim promptly to indemnitor; (ii) give indemnitor, at indemnitor's option, sole control of the defense and settlement of such claim, provided that indemnitor may not, without the prior consent of indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases indemnitee of all liability; (iii) provide to indemnitor all available information and assistance; and (iv) not take any action that might compromise or settle such claim.
12. **Warranties.** Each party represents and warrants to the other party that, as of the date hereof: (i) it has full power and authority to execute and deliver the Agreement; (ii) the Agreement has been duly authorized and executed by an appropriate employee of such party; (iii) the Agreement is a legally valid and binding obligation of such party; and (iv) its execution, delivery and/or performance of the Agreement does not conflict with any agreement, understanding or document to which it is a party. CPT WARRANTS THAT ANY AND ALL SERVICES PROVIDED BY IT HEREUNDER SHALL BE PERFORMED IN A PROFESSIONAL MANNER CONSISTENT WITH PREVAILING INDUSTRY STANDARDS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CPT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.
13. **Liability.**
- a) **Liability Cap.** EXCEPT FOR A PARTY'S WILLFUL MISCONDUCT, EACH PARTY'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, WILL BE LIMITED TO THE TOTAL CLAIMS ADMINISTRATOR FEES PAID OR PAYABLE BY CLIENT TO CPT HEREUNDER. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT EXPAND SUCH LIMIT. THE PARTIES ACKNOWLEDGE THAT THE FEES AGREED UPON BETWEEN CLIENT AND CPT ARE BASED IN PART ON THESE LIMITATIONS, AND THAT THESE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ANY ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE FOREGOING LIMITATION SHALL NOT APPLY TO A PARTY'S PAYMENT OBLIGATIONS UNDER THE AGREEMENT.
- b) **Exclusion of Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR ANY OTHER INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
14. **Communications.** CPT may list Client's name and logo alongside CPT's other clients on the CPT website and in marketing materials, unless and until Client revokes such permission. CPT may also list the Case name and/or number, and certain Qualified Settlement Fund information, on the CPT website and in marketing materials, unless stated otherwise in the Settlement Agreement.

15. Miscellaneous Provisions.

- a) Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California and the federal laws of the United States of America, without regard to conflict of law principles. CPT and Client agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of Orange, and each of CPT and Client hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.
- b) Force Majeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including without limitation acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party: (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- c) Counterparts. This Agreement may be executed in any number of counterparts and electronically, each of which shall be an original but all of which together shall constitute one and the same instrument.
- d) Entire Agreement. This Agreement contains the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings (oral or written) between the parties with respect to such subject matter. The schedules and exhibits hereto constitute a part hereof as though set forth in full herein.
- e) Modifications. Any modification, amendment, or addendum to this Agreement must be in writing and signed by both parties.
- f) Assignment. Neither party may assign this Agreement or any of its rights, obligations, or benefits hereunder, by operation of law or otherwise, without the other party's prior written consent; provided, however, either party, without the consent of the other party, may assign this Agreement to an Affiliate or to a successor (whether direct or indirect, by operation of law, and/or by way of purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of such party, where the responsibilities or obligations of the other party are not increased by such assignment and the rights and remedies available to the other party are not adversely affected by such assignment. Subject to that restriction, this Agreement will be binding on, inure to the benefit of, and be enforceable against the parties and their respective successors and permitted assigns.
- g) No Third-Party Beneficiaries. The representations, warranties, and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns and shall not be construed as conferring any rights on any other persons.
- h) Statistical Data. Without limiting the confidentiality rights and Intellectual Property Rights protections set forth in this Agreement, CPT has the perpetual right to use aggregated, anonymized, and statistical data ("Statistical Data") derived from the operation of the Software, and nothing herein shall be construed as prohibiting CPT from utilizing the Statistical Data for business and/or operating purposes, provided that CPT does not share with any third-party Statistical Data which reveals the identity of Client, Client's Class Members, or Client's Confidential Information.
- i) Export Controls. Client understands that the use of CPT's Products is subject to U.S. export controls and trade and economic sanctions laws and agrees to comply with all such applicable laws and regulations, including the Export Administration Regulations maintained by the U.S. Department of Commerce and the trade and economic sanctions maintained by the Treasury Department's Office of Foreign Assets Control.
- j) Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- k) Notices. Any notice or communication required or permitted to be given hereunder may be delivered by hand, deposited with an overnight courier, sent by electronic delivery, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other party first written above or at such other address as may hereafter be furnished in writing by either party hereto to the other party. Such notice will be deemed to have been given as of the date it is delivered, if by personal delivery; the next business day, if deposited with an overnight courier; upon receipt of confirmation of electronic delivery (if followed up by such registered or certified mail); and five days after being so mailed.
- l) Independent Contractors. Client and CPT are independent contractors, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between Client and CPT. Each party understands that it does not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- m) Subcontractors. CPT shall notify Client of its use of any subcontractors to perform Client-specific Services. CPT shall be responsible for its subcontractors' performance of Services under this Agreement.
- n) Headings. The headings of the sections of this Agreement are for convenience only, do not form a part hereof, and in no way limit, define, describe, modify, interpret, or construe its meaning, scope or intent.
- o) Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power, or remedy.
- p) Survival. Sections of the Agreement intended by their nature and content to survive termination of the Agreement shall so survive.

EXHIBIT 7

WILSHIRE LAW FIRM, PLC

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April 8, 2022

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

FLOWERVE US, INC.

c/o Marytza J. Reyes, Esq.

SANCEHZ & AMADOR, LLP, Counsel for FLOWERVE US, INC.

Accepting Service by stipulation.

(Via e-mail)

reyes@sanchez-amador.com

Re: ***Arias and Hensley v. Flowserve US, Inc.***
Notice of Labor Code Violations and PAGA Penalties

Please be advised that my office has been retained by John Arias (“Arias”) and Jeffrey Hensley (“Hensley”) (collectively, “Plaintiffs”) to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, et seq.) against her former employer, FLOWERVE US, INC. (“Defendant”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiffs and all of Defendant’s Aggrieved Employees.

Plaintiffs wish to pursue this action on behalf of themselves as aggrieved employees, on behalf of the State of California, as well as on behalf of all other persons who worked for any Defendant in California as a non-exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiffs and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Plaintiffs’ Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiffs Arias and Hensley worked for Defendant in Los Angeles County, California as Machinists from approximately June 20, 2019 to on or about September 17, 2021. During Plaintiffs' employment for Defendant, Defendant typically scheduled Plaintiffs to work at least 8 hours per day, but Plaintiffs regularly worked more than 8 hours in a workday and more than 40 hours in a workweek.

Throughout Plaintiffs' employment, Defendant failed to provide Plaintiffs with timely meal periods, including second meal periods, failed to authorize and permit Plaintiffs to take rest periods, failed to pay timely all final wages to Plaintiffs when Defendant terminated their employment and failed to furnish accurate wage statements to Plaintiffs. As discussed below, Plaintiffs' experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiffs and the Aggrieved Employees for all hours worked, including minimum wages, straight time wages, and overtime wages. Defendant did not pay for all the hours Plaintiffs and the Aggrieved Employees worked, although the work was performed with Defendant's knowledge and Plaintiffs and the Aggrieved Employees were subject to Defendant's control. Defendant also permitted Plaintiffs to work off-the-clock at their machines during their lunch breaks. The effect is that Plaintiffs and the Aggrieved Employees routinely worked through their first meal period "off-the-clock," were rarely permitted to clock out for their second meal period, and Defendant frequently paid Plaintiffs and the Aggrieved Employees less than all their work time. Much of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiffs and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later

than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiffs and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiffs and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiffs and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiffs and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiffs and the Aggrieved Employees permission to take a second meal period. As described above, Defendant would routinely manufacture time keeping records to falsely show that Plaintiffs and the Aggrieved Employees took meal periods when in fact they worked off-the-clock, uncompensated. Defendant never informed Plaintiffs of their right to, nor rarely permitted them to take, a second meal period of 10 hours of work in one workday. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiffs and the Aggrieved Employees in compliance with California law.

Plaintiffs and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiffs and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiffs and the Class to take legally compliant rest periods. Defendant regularly required Plaintiffs and the Class to work in excess of four consecutive hours a day without Defendant's authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiffs and the Class for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiffs and the Class by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiffs and the Class permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiffs and the Class to take rest periods in compliance with California law.

Plaintiffs and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday that they were not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiffs and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiffs and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiffs and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiffs seek penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiffs and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code IWC Wage Orders deprived Plaintiffs and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiffs and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiffs and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state

law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiffs and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiffs and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiffs and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiffs and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding

number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiffs and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiffs and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiffs and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’ failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiffs allege that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

- Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
- Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
- Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
- Labor Code § 204 by failing to pay all earned wages two times per month;
- California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
- Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination; and
- Labor Code § 226 by failing to provide accurate itemized wage statements.

Therefore, on behalf of all Aggrieved Employees, Plaintiffs seek applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

Plaintiffs have placed Defendant on notice by providing a copy of this correspondence to Defendant’s counsel by party agreement.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read 'Elizabeth Votra', with a stylized flourish at the end.

Elizabeth Votra, Esq.

EXHIBIT 8

From: [DIR PAGA Unit](#)
To: [Elizabeth Votra, Esq.](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Thursday, October 12, 2023 6:42:59 PM

10/12/2023 06:42:42 PM

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

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between the Named Plaintiffs, John Arias, Jeffrey Hensley, and Esteban Romo, for their own behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand, and Defendant Flowserve US Inc. on its own behalf and on behalf of its past and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, representatives, officers, directors, agents and employees, on the other hand (collectively the “Parties,”), in the lawsuits *Arias and Hensley, et al. v. Flowserve US, Inc., et al.*, filed in the Los Angeles County Superior Court, Spring Street Case No. 22STCV27829 and *Romo, et al. v. Flowserve US, Inc., et al.*, filed in the Los Angeles County Superior Court, Case No. 22STCV27551. This Settlement Agreement resolves all claims that were asserted or could have been asserted against Defendants pertaining to the claims in the Litigation.

1. DEFINITIONS.

- 1.1. “Administrator” means CPT Group, Inc. the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.2. “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.
- 1.3. “Aggrieved Employee” means a person employed by Flowserve in California as an hourly paid or non-exempt employee during the PAGA Period.
- 1.4. “Class Action” means Plaintiffs’ Hensley’s and Arias’ civil lawsuit against Flowserve captioned *John Arias and Jeffrey Hensley et al. v. Flowserve US Inc.*, Case No. 22STCV27829, initiated on August 25, 2022 and pending in Superior Court of the State of California, County of Los Angeles, alleging: (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) civil penalties under the Private Attorneys General Act (“PAGA”).
- 1.5. “Class Counsel” means Nicol E. Hajjar and Elizabeth M. Votra of Wilshire Law Firm and Justin Lo of Work Lawyers, PC.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Class Action and PAGA Action.
- 1.7. “Class Data” means the Settlement Class Member’s identifying information in Flowserve’s possession including the Settlement Class Member’s names, last-

known addresses, Social Security numbers, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for current Settlement 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 Settlement Class Members.
- 1.9. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Settlement Class Members in English, with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.10. “Class Representatives” means the named Plaintiffs in the Operative Complaint seeking Court approval to serve as Class Representatives.
- 1.11. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.12. “Court” means the Superior Court of California, County of Los Angeles.
- 1.13. “Flowserve” means named Defendant Flowserve US Inc.
- 1.14. “Defense Counsel” means Marytza J. Reyes, Jamie Rudman, and Brittaney D. de la Torre of Sanchez & Amador, LLP.
- 1.15. “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 Settlement Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Settlement 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.
- 1.16. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.17. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.18. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

- 1.19. “Gross Settlement Amount” means One Million Dollars and Zero Cents (\$1,000,000.00) which is the total amount Flowserve agrees to pay under the Settlement except as provided in Paragraph 3 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator’s Expenses.
- 1.20. “Individual Class Payment” means the Participating Settlement Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.21. “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.
- 1.22. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.23. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.24. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.25. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Settlement Class Members as Individual Class Payments.
- 1.26. “Non-Participating Settlement Class Member” means any Settlement Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.27. “PAGA Action” means Plaintiff Esteban Romo’s civil lawsuit against Flowserve captioned *Esteban Romo v. Flowserve US, Inc.*, Case No. 22STCV27551, initiated on August 24, 2022 and pending in Superior Court of the State of California, County of Los Angeles, alleging a single claim for civil penalties under PAGA.
- 1.28. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Flowserve for at least one day during the PAGA Period.

- 1.29. "PAGA Period" means the period from August 24, 2021 to the Effective Date.
- 1.30. "PAGA" means the Private Attorneys General Action (Labor Code §§2698 *et seq.*).
- 1.31. "PAGA Notice" means Plaintiffs Hensley and Arias' letter to Flowserve and the LWDA dated April 8, 2022, and Plaintiff Romo's letter to Flowserve and the LWDA dated June 16, 2022, providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.32. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.33. "Participating Settlement Class Member" means a Settlement Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34. "Plaintiffs" means John Arias, Jeffrey Hensley, and Esteban Romo, who are the named Plaintiffs in the Class Action and PAGA Action.
- 1.35. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.36. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.37. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.38. "Released Parties" means: Flowserve and each of its former and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, representatives, officers, directors, attorneys, agents and employees.
- 1.39. "Request for Exclusion" means a Settlement Class Member's submission of a written request to be excluded from the Class Settlement signed by the Settlement Class Member.
- 1.40. "Response Deadline" means sixty (60) days after the Administrator mails Notice to Settlement Class Members and Aggrieved Employees, and shall be the last date on which Settlement Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Settlement Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

- 1.41. “Settlement” means the disposition of the Class Action and PAGA Action effected by this Agreement and the Judgment.
- 1.42. “Settlement Class” means all persons employed by Flowserve in California as an hourly paid or non-exempt employee during the Class Period.
- 1.43. “Settlement Class Member” means a member of the Settlement Class, as either a Participating Settlement Class Member or Non-Participating Settlement Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.44. “Settlement Class Period” means the period from August 25, 2018 to the Effective Date.
- 1.45. “Workweek” means any week during which a Settlement Class Member worked for Flowserve US Inc. for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On August 25, 2022, Plaintiffs Hensley and Arias commenced the Class Action by filing a Complaint alleging causes of action against Flowserve for: (1) Failure to Pay Minimum and Straight Time Wages pursuant to Cal., Labor Code §§ 204, 1194, 1194.2, and 1197; (2) Failure to Pay Overtime Wages pursuant to Labor Code §§ 1194 and 1198; (3) Failure to Provide Meal Periods pursuant to Labor Code §§ 226.7 and 512; (4) Failure to Authorize and Permit Rest Periods pursuant to Labor Code §§ 226.7; (5) Failure to Timely Pay Final Wages at Termination pursuant to Labor Code §§ 201-203; (6) Failure to Provide Accurate Itemized Wage Statements pursuant to Labor Code §§ 226; (7) Unfair Business Practices pursuant to Business & Professions Code §§ 1700, et seq.; and (8) Civil Penalties under the PAGA. On August 24, 2022, Plaintiff Esteban Romo commenced the PAGA Action, alleging a single claim for civil penalties under PAGA. Plaintiffs’ counsel shall be responsible for moving to consolidate and/or relate the Class Action and PAGA Action for purposes of this settlement. Based on Plaintiffs consolidation and/or relation of both the Class Action and PAGA Action, either the Class Action or PAGA Action or combination of both shall serve as the “Operative Complaint.” Flowserve denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. On May 26, 2023, the Parties participated in an all-day mediation presided over by Kelly A. Knight, which led to this Agreement to settle the Class Action and PAGA Action.
- 2.3. Prior to mediation, Plaintiffs obtained, through informal discovery, electronic timekeeping and payroll data stored via excel spreadsheet, and documents reflecting Flowserve’s timekeeping policies and practices. 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*”).

2.4. The Court has not granted class certification.

2.5. 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, Flowserve promises to pay One Million Dollars and Zero Cents (\$1,000,000.00) and no more 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. Flowserve has no obligation to pay the Gross Settlement Amount, or any payroll taxes, prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Settlement Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Flowserve.

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 Payments to each Class Representative of not more than Five Thousand Dollars and Zero Cents (\$5,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Settlement Class Members). Flowserve will not oppose Plaintiffs’ request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than Thirty-Three and One Third Percent (33 and 1/3%) of the Gross Settlement Amount, which is currently estimated to be Three Hundred and Thirty-Three Thousand Dollars and Zero Cents (\$333,000.00) and a Class Counsel Litigation Expenses Payment of not more than Twenty Thousand Dollars and Zero Cents (\$20,000.00). Flowserve will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion

for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment for 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 Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation 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 Litigation Expenses Payment and holds Flowserve harmless, and indemnifies Flowserve, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) 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 \$30,000.00 the Administrator will retain the remainder in the Net Settlement Amount. The Parties, through their respective counsel, have selected CPT Group as the Settlement Administrator to administer the Settlement, which includes but is not limited to distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement Administrator, estimated to be no more \$8,500.00, will be paid from the Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the allocated \$30,000.00 will come from the Settlement Amount. If the actual Settlement Administrator fees are less than the Parties' estimation, the difference between the actual and estimated Settlement Administrator fees will revert to the participating Settlement Class members. The Parties agree that this Agreement may be provided to the Settlement Administrator to effectuate its implementation of the settlement procedures herein.

3.2.4. To Each Participating Settlement Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Settlement Class Members during the Class Period and (b) multiplying the result by each Participating Settlement Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. One Third (1/3) of each Participating Settlement 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. One Third (1/3) of each Participating Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for interest, and One Third (1/3) as penalties (the "Non- Wage Portions"). The Non-Wage Portions are not subject to wage withholdings

and will be reported on IRS 1099 Forms. Participating Settlement Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

- 3.2.4.2. Effect of Non-Participating Settlement Class Members on Calculation of Individual Class Payments. Non-Participating Settlement 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 Settlement Class Members on a pro rata basis.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00) to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) 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 the PAGA Penalties (\$12,500.00) by the total number of PAGA 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 Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Flowserve estimates there are approximately 317 Settlement Class Members, and approximately 240 Aggrieved Employees.
- 4.2. Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Flowserve will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Settlement 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. Flowserve has 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 Flowserve 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.

- 4.3. Funding of Gross Settlement Amount. Flowserve shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Flowserve's share of payroll taxes by transmitting the funds to the Administrator no later than twenty-eight (28) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fifteen (15) days after Flowserve funds the Gross Settlement Amount, 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 Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Settlement 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 Settlement Class Members (including those for whom Class Notice was returned undelivered). The Administrator will issue checks for Individual PAGA Payments and send them to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). 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.
 - 4.4.2. The Administrator must conduct a Settlement Class Member Address Search for all other Settlement Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (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 Settlement Class Member Address Search. The Administrator need not take further steps to deliver checks to Settlement Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Settlement Class Member whose original check was lost or misplaced, requested by the Settlement Class Member prior to the void date.
 - 4.4.3. For any Settlement 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 a Court-

approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) (“Cy Pres Recipient”), Legal Aid Foundation of Los Angeles (LAFLA). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

5. RELEASES OF CLAIMS. Effective on the date when Flowserve fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Settlement Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs’ Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been alleged, based on the facts contained in the Operative Complaint or ascertained during the Class Action, PAGA Action, Plaintiffs’ respective PAGA Notices, or ascertained during the Class Action and PAGA Action and released under 5.2, below. (“Plaintiffs’ Release.”) Plaintiffs’ Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Participating Settlement Class Members Who Are Not Aggrieved Employees: All Participating Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts

stated in the Operative Complaint and ascertained in the course of the Action including, any and all claims involving any alleged: (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) civil penalties under PAGA. Except as set forth in Section 6.3 of this Agreement, Participating Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

- 5.3 Release by Non-Participating Settlement Class Members Who Are Aggrieved Employees: All Non-Participating Settlement Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the of the Class Action and PAGA Action, including, (1) failure to pay minimum wage and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) unfair business practices; and (8) failure to reimburse necessary business expenses.

6. MOTION FOR PRELIMINARY APPROVAL.

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 6.1 Flowserve's Declaration in Support of Preliminary Approval. Within fifteen (15) days of the full execution of this Agreement, Flowserve will prepare and deliver to Class Counsel a signed Declaration from Flowserve and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and Flowserve shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.2 Plaintiffs' Responsibilities. Plaintiffs will take responsibility for consolidating or relating the Class Action and PAGA Action. Additionally, 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 Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the

security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Settlement Class Members and the proposed Cy Pres; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Settlement Class Members, the Administrator, and the proposed Cy Pres; (vi) a signed declaration from each Settlement Class Counsel firm attesting to its competency to represent the Settlement Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd.(a)), Operative Complaint (Labor Code section 2699, subd.(1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); all facts relevant to any actual or potential conflict of interest with Settlement Class Members, the Administrator, and the Cy Pres Recipient; and (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than September 18, 2023; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.4 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 CPT Group to serve as the Administrator and verified that, as a condition of appointment, CPT Group 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. 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 state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Settlement Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Settlement Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Settlement Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation, 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 Individual PAGA Payment payable to the Settlement Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Settlement Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) 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 Settlement 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 Settlement Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Settlement Class Members’ written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Settlement Class Members whose notice is re-mailed. The Administrator will inform the Settlement Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Flowserve 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 person or by telephone, and in good faith, in an effort to agree on whether to include them as Settlement Class Members. If the Parties agree, such persons will be Settlement Class Members entitled to the same

rights as other Settlement Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Settlement Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Settlement Class Member or his/her representative that reasonably communicates the Settlement Class Member's election to be excluded from the Settlement and includes the Settlement Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, 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 Settlement Class Member and the Settlement 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 Settlement 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 Settlement Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Settlement Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Settlement Class Members' Releases under Paragraph 5.2 of this Agreement, regardless whether the Participating Settlement Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Settlement Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Settlement 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 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Settlement Class Member shall have sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Settlement Class Member in the Class Notice. The Settlement Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail substantially in the form attached to this Agreement as Exhibit B. The Administrator must encourage the challenging Settlement 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 Settlement Class Member's allocation of Workweeks and PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Settlement Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Settlement Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Settlement Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Settlement 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 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Settlement Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees

Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Settlement Class Member calls, faxes and emails.

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) 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 Settlement Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Settlement Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 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 (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 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 Settlement Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than fourteen (14) 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 Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Settlement Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach 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(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (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 fifteen (15) 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. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on its records, Flowserve estimates that, as of the date of this Settlement Agreement, (1) there are approximately 317 Settlement Class Members and (2) there are approximately 240 Aggrieved Employees. If, as of the end of the Class Period, the actual Class size is more than 10% of this estimate (i.e., 347 or more Settlement Class Members), the Gross Settlement Amount shall increase based on the average gross payout paid to individual Settlement Class Members. For example, if the average payout based on 317 Settlement Class Members is \$1,000 per Settlement Class Member and there are 30 additional Settlement Class Members (347 total Settlement Class Members), Flowserve will increase the Gross Settlement Amount by \$30,000.00.
9. **FLOWERVE'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Settlement Class Members, Flowserve may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Flowserve withdraws, 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, Flowserve will remain responsible for paying all Settlement Administration Expenses incurred to that point. Flowserve must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (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 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 ten (10) 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 Settlement Class Member, including the right to file responsive documents in Court no later than five (5) 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 Settlement 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 Payments, Class Counsel Fees Payment, Class Counsel Litigation 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 Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Settlement 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 Settlement 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 Payments 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 section 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 or should be construed as an

admission by Flowserve that any of the allegations in the Operative Complaint have merit or that Flowserve has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Flowserve's 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, Flowserve reserves the right to contest certification of any class for any reasons, and Flowserve reserves 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 Flowserve's 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 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Flowserve and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Flowserve and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Settlement Class Members in accordance with Class Counsel's ethical obligations owed to Settlement Class Members.
- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Settlement 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 Settlement Class Members in accordance with Class Counsel's ethical obligations owed to Settlement Class Members.
- 12.4 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.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Flowserve, 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.

- 12.6 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.
- 12.7 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.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Flowserve 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 CFR Part 10, as amended) or otherwise.
- 12.9 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.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.
- 12.12 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.
- 12.13 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.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Flowserve in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this

Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Flowserve unless, prior to the Court's discharge of the Administrator's obligation, Flowserve makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.15 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.

12.16 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.

12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs: Nicol Hajjar or Elizabeth Votra of Wilshire Law Firm, P.C. 3055 Wilshire Blvd., 12th Fl. Los Angeles, CA 90010; nicol@wilshirelawfirm.com; evotra@wilshirelawfirm.com; (213) 381-9988.

To Flowserve: Marytza J. Reyes of Sanchez & Amador, LLP, 800 S. Figueroa St., Suite 1120, Los Angeles, CA 90017; reyes@sanchez-amador.com.

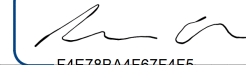
12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument 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.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: 9/21/2023, 2023

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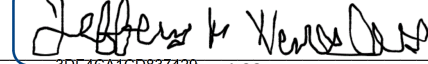


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John Arias, Plaintiff

On Behalf of Plaintiff John Arias and Jeffrey Hensley, et al:

Dated: 9/20/2023, 2023

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Jeffrey Hensley, Plaintiff

On Behalf of Plaintiff Esteban Romo, et al:

Dated: 7/31/2023, 2023

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Esteban Romo, Plaintiff

On Behalf of Defendant Flowserve US, Inc.:

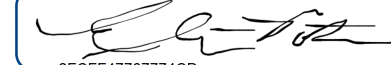
Dated: _____, 2023

Name: _____
Title: _____

Approved as to form:

WILSHIRE LAW FIRM, PLC

DocuSigned by:



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Nicol E. Hajar, Esq.

Elizabeth M. Votra, Esq.
Attorneys for Plaintiffs and the Class

Dated: 9/20/2023, 2023

WORK LAWYERS, PC

DocuSigned by:



851114C5405E4A4...
Justin Lo, Esq.

Attorneys for Plaintiff Esteban Romo

Dated: 7/31/2023, 2023

SANCHEZ & AMADOR LLP

Dated: _____, 2023

Marytza Reyes, Esq.
Brittaney D. de la Torre, Esq.
Jamie Rudman, Esq.
Attorneys for Defendant, Flowserve US Inc.

EXHIBIT 9

JOINT PROSECUTION AGREEMENT AND ATTORNEY FEE SPLIT AGREEMENT

This Joint Prosecution Agreement and Fee-Sharing Agreement (“Agreement”) is entered into effective November 16, 2022 (the “Effective Date”), and sets forth the terms of the co-counsel relationship by and among Work Lawyers, P.C. (“WORK LAWYERS”) and Wilshire Law Firm, PLC (“WILSHIRE”), (collectively, “Attorneys” or “Co-Counsel”), in connection with the in the lawsuits entitled *John Arias and Jeffrey Hensley, et al. v. Flowserve US, Inc.* (Los Angeles Superior Court Case No. 22STCV27829, hereinafter “*Arias and Hensley Action*”) and *Esteban Romo v. Flowserve US Inc.* (Los Angeles Superior Court Case No. 22STCV27551, hereinafter “*Romo Action*”). However, the “Romo Action” excludes any non-class action claims brought by Esteban Romo in the same action.

Plaintiffs John Arias, Plaintiff Jeffrey Hensley, and Plaintiff Esteban Romo are collectively referred to herein as “Plaintiffs”. WORK LAWYERS and WILSHIRE are collectively referred herein to as “Attorneys”. The *Arias and Hensley Action* and the *Romo Action* are collectively referred to herein as “the Actions”.

The purpose of this agreement is to memorialize the fee-sharing arrangement between Co-Counsel, and the scope of their duties regarding the pending litigation, and their representation of Plaintiffs and the putative class/aggrieved employees. By this agreement and in consideration of the mutual promises set forth below, Co-Counsel agree to the following terms:

- 1) Co-Counsel acknowledge that, in order to jointly litigate the Actions, they will need to exchange certain materials and information, the contents of which may be or include material protected by the attorney client privilege, the work product privilege, or other state and federal statutory and common law rights and privileges, including but not limited to factual material, mental impressions, documents, memoranda, and interview and investigative reports. Co-Counsel wish to pursue their common interests cooperatively without waiving any privilege or protection as to any communication or work product. Any and all materials and communications exchanged among Co-Counsel in connection with the litigation shall be exchanged pursuant to a common interest privilege and are protected from disclosure from any third party without the express consent of the Co-Counsel. The disclosure of materials and communications pursuant to this Agreement shall not constitute a waiver of any privilege or protection.
- 2) Co-Counsel pledge that they will not seek to prosecute the Actions alone or with any other Co-Counsel firm or other firm without the express written consent of the other Co-Counsel.
- 3) Co-Counsel will vigorously prosecute the Actions. Co-Counsel will coordinate all litigation work assignments in order to avoid unnecessary duplication, and will develop and implement a coherent, consistent litigation strategy. Co-Counsel will consult with each other regarding major strategy decisions and work assignments, including but not limited to the type of relief to accept in settlement of the case. It is anticipated that both Co-Counsel firms will be actively involved in the Actions.
- 4) Co-Counsel and Plaintiffs hereby acknowledge and agree that any eventual award of attorneys' fees that is recovered in connection with the resolution of this action, either by settlement, arbitration, judgment or otherwise, shall be divided between Co-Counsel as follows:

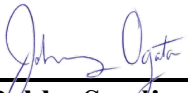
- A) 75% to WILSHIRE, 25% to WORK LAWYERS whether based on a percentage of the common fund or lodestar.
 - B) Co-Counsel shall each maintain a complete and accurate record of time devoted to the investigation and prosecution of this action, recorded with the time expended, for each attorney and other timekeeper and each specific activity.
- 5) The costs associated with the litigation of this action shall be divided between Co-Counsel pursuant to their share of recovery set out in Paragraph 4 above. As used in this agreement, "costs" shall mean expenditures recoverable as costs of litigation and settlement under applicable law. In the event that such costs are not awarded by the court, the full amount of such costs shall be reimbursed to each law firm who paid them from the award of attorneys' fees, before the division of attorneys' fees pursuant to this agreement. The application for costs filed with the court shall be limited to expenditures made by Co-Counsel for costs, as that term is defined herein. If a separate award is made for costs, Co-Counsel shall be entitled to the costs that each firm incurred, as awarded by the court. Co-Counsel shall not be reimbursed for costs that the court does not allow in its award of costs. Co-Counsel shall be responsible for the timely preparation of a declaration in support of any costs for which it seeks reimbursement. If, for any reason other than the failure of either WILSHIRE or WORK LAWYERS to timely prepare a declaration in support of the application for costs, the costs awarded are not sufficient to fully reimburse either WILSHIRE or WORK LAWYERS for the costs incurred, the award of costs shall be distributed among WILSHIRE or WORK LAWYERS on a pro-rata basis as set forth above. If either WILSHIRE or WORK LAWYERS fail to timely prepare declaration in support of the costs that it incurred, then the costs awarded shall first be used to reimburse full the costs incurred by the law firm who timely prepared a declaration.
 - 6) WILSHIRE and WORK LAWYERS each maintain their own insurance policy to cover errors and/or omissions of its staff.
 - 7) This Agreement shall be interpreted under the laws of the State of California. The Parties agree that any action in relation to an alleged breach of this Agreement shall be commenced in Los Angeles, California.
 - 8) Attorneys agree that they will obtain the client's separate written consent to this Agreement.
 - 9) This is an integrated contract and reflects the full agreement of the parties, and it may only be modified in writing. No prior or contemporaneous written or oral representations may be admitted as to the meaning and/or mutual intent of the terms set forth herein.
 - 10) In the event of any dispute arising from this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs.
 - 11) Attorneys, and each of them, have participated in the negotiation and drafting of this Agreement. Accordingly, the rule of contract interpretation that ambiguities are construed against the drafting party shall not apply to this Agreement.

This agreement and acknowledgment between WILSHIRE, WORK LAWYERS and Plaintiffs may be evidenced by one or more counterparts, all of which shall constitute a single agreement. A facsimile, electronic signature, or copy of a signature may be used in lieu of an original.

IT IS SO AGREED,

Dated: November 17, 2022

WILSHIRE LAW FIRM

By: 
~~Bobby Saadnan, Esq.~~
Johnny Ogata, Esq.

Dated: November 16, 2022

WORK LAWYERS

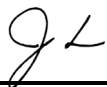
By: 
Justin Lo, Esq.

EXHIBIT "A" TO JOINT PROSECUTION AND FEE-SHARING AGREEMENT

Client Consent Pursuant to California Rules of Professional Conduct Rule 1.5.1

I, John Arias, state as follows:

I have been advised in writing that my attorney has entered into a proposed "Joint Prosecution and Attorney Fee Split Agreement" ("Agreement") with the below listed counsel. I understand that the attorneys representing the current and former employees of Flowserve US, Inc. and any of its related entities will divide any attorney's fees awarded by the court(s) as follows:

<u>Law Firm</u>	<u>Percentage of Fee Award</u>
WILSHIRE	75%
WORK LAWYERS	25%

I understand and agree that I entered into a Retainer Agreement with Wilshire Law Firm and further understand and agree that all of the terms of that Retainer Agreement shall also be fully applicable to and shall govern the relationship between me, Wilshire Law Firm and Work Lawyers.

I hereby acknowledge that I have been provided with a copy of the Agreement.

I have further been advised in writing and understand that the total fee charged will not be increased solely by reason of the division of fees.

My attorney has answered any and all questions that I have about the proposed fee division. I understand the proposed fee division fully.

I hereby consent to this proposed fee division.

Dated: 12/5/2022 _____

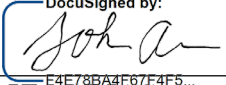
DocuSigned by:

E4E78BA4F67E4F5...
JOHN ARIAS

EXHIBIT "B" TO JOINT PROSECUTION AND FEE-SHARING AGREEMENT**Client Consent Pursuant to California Rules of Professional Conduct Rule 1.5.1**

I, Jeffrey Hensley, state as follows:

I have been advised in writing that my attorney has entered into a proposed "Joint Prosecution and Attorney Fee Split Agreement" ("Agreement") with the below listed counsel. I understand that the attorneys representing the current and former employees of Flowserve US, Inc. and any of its related entities will divide any attorney's fees awarded by the court(s) as follows:

<u>Law Firm</u>	<u>Percentage of Fee Award</u>
WILSHIRE	75%
WORK LAWYERS	25%

I understand and agree that I entered into a Retainer Agreement with Wilshire Law Firm and further understand and agree that all of the terms of that Retainer Agreement shall also be fully applicable to and shall govern the relationship between me, Wilshire Law Firm and Work Lawyers.

I hereby acknowledge that I have been provided with a copy of the Agreement.

I have further been advised in writing and understand that the total fee charged will not be increased solely by reason of the division of fees.

My attorney has answered any and all questions that I have about the proposed fee division. I understand the proposed fee division fully.

I hereby consent to this proposed fee division.

Dated: 11/22/2022

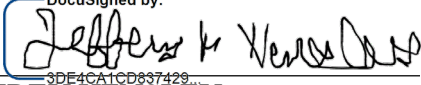
DocuSigned by:

3DE4CA1CD837429...
JEFFREY HENSLEY

EXHIBIT "C" TO JOINT PROSECUTION AND FEE-SHARING AGREEMENT**Client Consent Pursuant to California Rules of Professional Conduct Rule 1.5.1**

I, Esteban Romo, state as follows:

I have been advised in writing that my attorney has entered into a proposed "Joint Prosecution and Attorney Fee Split Agreement" ("Agreement") with the below listed counsel. I understand that the attorneys representing the current and former employees of Flowserve US, Inc. and any of its related entities will divide any attorney's fees awarded by the court(s) as follows:

<u>Law Firm</u>	<u>Percentage of Fee Award</u>
WILSHIRE	75%
WORK LAWYERS	25%

I understand and agree that I entered into a Retainer Agreement with Work Lawyers and further understand and agree that all of the terms of that Retainer Agreement shall also be fully applicable to and shall govern the relationship between me, Wilshire Law Firm and Work Lawyers.

I hereby acknowledge that I have been provided with a copy of the Agreement.

I have further been advised in writing and understand that the total fee charged will not be increased solely by reason of the division of fees.

My attorney has answered any and all questions that I have about the proposed fee division. I understand the proposed fee division fully.

I hereby consent to this proposed fee division.

Dated: 4/25/2024

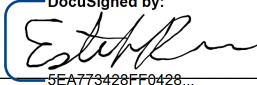
DocuSigned by:

5EA773428FF0426...
ESTEBAN ROMO

EXHIBIT 10



Work Lawyers PC <info@caworklawyer.com>

Thank you for your Amended PAGA Claim Notice Submission.

DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
To: info@caworklawyer.com

Thu, Jun 16, 2022 at 11:11 AM

06/16/2022 11:11:13 AM

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

Item submitted: Amended PAGA Claim Notice

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



AMENDED NOTICE OF LABOR CODE VIOLATIONS - PAGA
(Labor Code § 2699.3)

DATE June 16, 2022

DELIVERY Online Filing and Certified U.S. Mail

RECIPIENTS California
Workforce Development Agency
PAGAfilings@dir.ca.gov

**SUBJECT: Esteban Romo v. Flowserve US, Inc.; ET AL — AMENDED NOTICE OF
LABOR CODE VIOLATIONS UNDER CAL. LABOR CODE §2699.3**

Dear Representative:

This office represents Esteban Romo (“Mr. Romo”) with respect to his claims against Flowserve US, Inc. (“Employer”) for violations of the California Labor Code and IWC Wage Orders. This letter is being sent simultaneously to Employer by certified mail.

Additional legal theory regarding violations of waiting time penalties under Labor Code section 203 on behalf of Mr. Romo and Aggrieved Employees is being provided.

Employer is a corporation doing business in the State of California. Employer employed Mr. Romo from approximately September 2018 to April 2022, as an exempt employee. During his employment with Employer, Mr. Romo was employed as an “Inventory Supervisor (Specialist)” then as a “Warehouse Supervisor” at Employer’s facility located at 2300 E. Vernon Ave., Vernon, CA 90058. Despite spending more than half of his workday handling only data entry responsibilities during his employment, Mr. Romo was paid a fixed salary irrespective of the number of hours he worked. Mr. Romo often worked Monday to Friday from approximately 6:00 AM until 5:00 PM and was only given a meal break whenever time permitted. This meal break was often interrupted with work responsibilities.

Mr. Romo did not receive any rest breaks at all, because he was informed that his exempt position precluded him from receiving any. Mr. Romo was also required to work remotely from home and purchase all his own computer equipment and pay for all necessary utilities. Employer



did not reimburse Mr. Romo for any expenses incurred and did not keep track of all hours worked by Mr. Romo. Mr. Romo did not have the ability to hire, fire, interview, or discipline any other employee during this entire time. Mr. Romo also did not perform duties that justified an exemption classification. Mr. Romo believes his labor code violations were suffered by both exempt and non-exempt employees of Defendant.

Mr. Romo intends to seek penalties for violations of the California Labor Code which are recoverable under California Labor Code section 2698, et seq., the Private Attorneys General Act of 2004 (“PAGA”). Mr. Romo is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former exempt and non-exempt employees of Employer (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3.

As detailed below, Employer violated several of California’s wage and hour laws during Mr. Romo employment, including but not limited to violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 227.3, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Order”) including inter alia, IWC Wage Order No. 5. The claims made on behalf of Mr. Romo and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION.

Employer has engaged in numerous unlawful practices which resulted in the failure to pay Mr. Romo and Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

First, Employer regularly required Mr. Romo and Aggrieved Employees to work off-the-clock in order to complete their duties and responsibilities. This off-the-clock work included, amongst other things, requiring Mr. Romo and Aggrieved Employees to: (1) respond to Employer and work-related requests and perform work while clocked out for purported meal breaks; (2) perform work before clocking in for the start of their shift; and (3) perform work after clocking out for the end of their shift. Mr. Romo and Aggrieved Employees were not compensated for this off-the-clock work, resulting in a failure to pay minimum wages and straight time wages. Moreover, this off-the-clock work typically caused Mr. Romo and Aggrieved Employees to work more than eight (8) hours in a day and forty (40) hours in week, resulting in a failure to pay overtime compensation.

In addition to requiring Mr. Romo and Aggrieved Employees to perform work off-the-clock without compensation, Employer also failed to accurately record the actual time worked by Mr. Romo and Aggrieved Employees, which resulted in a failure to pay Mr. Romo and Aggrieved



Employees for all hours worked, including minimum wages, straight time wages and overtime wages. Finally, and as a matter of policy and/or practice, Employer failed to pay overtime to Mr. Romo and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration.

As a result of the foregoing practices, Employer has failed to pay Mr. Romo and Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employer violated IWC Wage Order No. 5 and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

Employer failed to provide Mr. Romo and Aggrieved Employees with legally compliant 30-minute meal periods. Employer required Mr. Romo and Aggrieved Employees to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Mr. Romo and Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employer regularly required Mr. Romo and Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. On the occasions that Mr. Romo and Aggrieved Employees did take a meal period, their meal periods were frequently interrupted or cut short.

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Romo and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employer's management at various levels, affecting all exempt and non-exempt employees, failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employer failed to adequately inform and train Mr. Romo and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employer failed to adequately inform and train Mr. Romo and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employer failed to ensure that there was adequate staffing to allow Mr. Romo and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employer required Mr. Romo and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during meal periods, which included



responding to in-person verbal interruptions; and (7) Employer's policy and culture prevented Mr. Romo and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on completing job requirements over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Mr. Romo and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employer violated IWC Wage Order No. 5 and California Labor Code sections 226.7(a), 512(a) and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; penalties pursuant to California Labor Code California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS.

Employer failed to authorize and permit Mr. Romo and Aggrieved Employees take legally compliant 10-minute periods. Employer required Mr. Romo and Aggrieved Employees to work through rest periods. Mr. Romo and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Mr. Romo and Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Mr. Romo and Aggrieved Employees were never completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employer's policies, practices, and procedures were responsible for the violations alleged above and prevented Mr. Romo and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employer did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employer's management at various levels, affecting all hourly-exempt and non-exempt employees, failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employer failed to adequately inform and train Mr. Romo and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employer failed to adequately inform and train Mr. Romo and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employer failed to ensure that there was adequate staffing to allow Mr. Romo and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employer



required Mr. Romo and other Aggrieved Employees to remain on-call and respond to work-related requests at all times, including during rest periods, which included responding to in person verbal interruptions; and (7) Employer's policy and culture prevented Mr. Romo and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Mr. Romo and Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employer violated IWC Wage Order No. 5 and California Labor Code sections 226.7(a), and 1198.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT.

As to each pay period, Employer has failed to timely pay all wages earned because Mr. Romo and Aggrieved Employees were not paid all the wages they were owed including, inter alia, overtime compensation, straight time wages, and meal and rest period premiums. Accordingly, Employer violated California Labor Code section 204(a).

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PAY ALL WAGES DUE TO DISCHARGED AND QUITTING EMPLOYEES.

As to each pay period, Employer has failed to timely pay all wages earned because Mr. Romo and Aggrieved Employees were not paid all the wages they were owed including, inter alia, overtime compensation, straight time wages, and meal and rest period premiums. Accordingly, Employer violated California Labor Code section 201(a), 202(a) and 203(a).

Ms. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

6. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS.

As a result of the practices described above, the wage statements provided to Mr. Romo and Aggrieved Employees never included the actual hours worked, the name and address of the legal



employing entity, all owed wages and the correct rates of pay. Accordingly, Employer violated California Labor Code section 226(a).

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

7. FAILURE TO MAINTAIN ACCURATE RECORDS.

Employer has failed to maintain accurate records relating to Mr. Romo and Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employer violated IWC Wage Order No. 5 and California Labor Code sections 1198.5 and 1174(d).

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

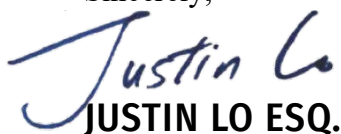
8. FAILURE TO REIMBURSE NECESSARY EXPENDITURES.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 5 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Mr. Romo and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employer. These costs include but are not limited to the use of Mr. Romo and Aggrieved Employees of their personal computer, monitors, keyboard, mouse, wires, printer, wifi, and internet to work remotely from home.

Accordingly, Employer violated IWC Order No. 5 and California Labor Code sections 2800 and 2802.

Mr. Romo and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to paragraph (20)(A) of IWC Wage Order No. 5; and attorneys' fees and costs.

Sincerely,


JUSTIN LO ESQ.



Notice provided to Employer via Certified Mail

CT Corporation System
Agent for Service of Process
FlowServe US, Inc.
330 N. Brand Blvd., Ste. 700
Glendale, CA 91203

Notice provided to Employer via Certified Mail

FlowServe US, Inc.
Human Resources / Legal Dept.
5215 N. O'Connor Blvd., Suite 700
Irving, TX 75039

Notice provided to Employer via Certified Mail

FlowServe US, Inc.
Human Resources / Legal Dept.
2300 E. Vernon Ave.
Vernon, CA 90058

EXHIBIT 11

Nicol E. Hajjar (SBN 303102)
nicol@wilshirelawfirm.com
Elizabeth M. Votra (SBN 310717)
evotra@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – COMPLEX CIVIL DEPARTMENT

JOHN ARIAS, individually, and on behalf of all
others similarly situated; and JEFFREY
HENSLEY, individually, and on behalf of all
others similarly situated,

Plaintiffs,

v.

FLOWSERVE US, INC.; and DOES 1 through
10, inclusive,

Defendants.

Case No. 22STCV27829

**CLASS ACTION AND
REPRESENTATIVE ACTION**

*[Assigned for all purposes to: Hon. Maren E.
Nelson, Dept. 17]*

**DECLARATION OF SILVIA
ARGULETA FOR LEGAL AID
FOUNDATION OF LOS ANGELES, RE
CY PRES FUNDS**

*[Filed concurrently with: Plaintiff's Notice of
Motion and Motion for Preliminary Approval
of Class Action Settlement, Memorandum of
Points and Authorities; and [Proposed] Order
Granting Plaintiff's Motion for Preliminary
Approval of Class Action Settlement]*

PRELIMINARY APPROVAL HEARING

Date: February 9, 2024

Time: 9:00 a.m.

Dept: 17

1 **DECLARATION SILVIA R. ARGUETA REGARDING CY PRES DESIGNATION**

2 I, SILVIA R. ARGUETA, declare as follows:

3 1. I am an individual over the age of 18. I have personal knowledge of the facts set
4 forth below and if called to testify I could and would do so competently.

5 2. I am employed as the Executive Director for the Legal Aid Foundation of Los
6 Angeles (“LAFLA”). My business address is 1550 W 8th Street, Los Angeles, CA 90017. My
7 business phone number is 323-801-7906.

8 3. This declaration is submitted in support of John Arias v. Flowserve US, Inc. and for
9 approval of LAFLA as the Cy Pres recipient of the unclaimed proceeds from the class action
10 settlement.

11 4. LAFLA has a total staff of 220, including 104 attorneys, with five offices (ROJC
12 Los Angeles, South Los Angeles, East Los Angeles, Long Beach and Santa Monica), four self-help
13 centers, and three domestic violence clinics. As LAFLA’s Executive Director, I oversee strategy,
14 advocacy, fund development, and finances.

15 5. As the frontline advocate for poor and low-income individuals since 1929, LAFLA
16 works to provide clients with access to fundamental services: food, housing, employment, safety
17 and security. Our client services range from assistance with veterans benefits to employment
18 issues to providing eviction defense, relief from domestic violence, and government benefits.
19 LAFLA has five workgroups including Housing and Communities, Economic Stability, Supporting
20 Families, Eviction Defense Center, and two specialty projects: Veterans Justice Center and Asian
21 & Pacific Islander Community Outreach Project. LAFLA takes great pride in having one of the
22 most culturally and linguistically diverse staff in the legal services community, in one of the most
23 diverse cities in the country.

24 6. LAFLA is the first place to which thousands of poor people turn to when they
25 need legal assistance for a crisis that threatens their homes, health and livelihood. In 2022,
26 over 100,000 individuals and families were assisted throughout all of our program areas.
27 LAFLA is a channel for change for the conditions that cause or aggravate poverty for poor and
28 low-income people and for those who face systemic barriers to equal justice, equal
opportunity, and too often, basic human rights.

7. LAFLA is an accredited 501 (c)(3) charity and it will be financially accountable for the funds.

8. 85% of LAFLA's clients are members of a minority group.

9. LAFLA has a strong commitment to South Los Angeles. LAFLA has had a dedicated office in South Los Angeles for over 40 years.

10. As of the date of this declaration, in 2023, LAFLA has been awarded Cy Pres funds in over 30 cases (both state and federal).

11. LAFLA is supported by the State Bar of California through a variety of grants including the Trust Fund Commission which provides Equal Access Funding and IOLTA funding to LAFLA. Additionally, LAFLA staff members serve on a variety of State Bar committees.

12. CCCP section 384 (a) allows Cy Pres funds to be distributed to an organization to further the purpose underlying causes of action, or to promote justice for all Californians. CCCP section 384 (b) authorizes the trial court to direct residual funds to nonprofit organizations providing civil legal services to the indigent, or nonprofit organizations to support projects that will benefit the class or similarly situated persons.

13. LAFLA's mission is to achieve equal justice for poor and low-income people in greater Los Angeles.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Los Angeles, California on October 12, 2023

Libni R. Argueta

SILVIA R. ARGUETA

John Arias, et al. v. FLOWSERVE US, INC.
Case No.: 22STCV27829

PROOF OF SERVICE