

1 **STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT**

2 IT IS HEREBY STIPULATED by and between Plaintiff Joel Meza, on behalf of himself and
3 others similarly situated, on the one hand, and Defendant E and J Wood Finish, on the other hand, and
4 subject to the approval of the Court, that the Lawsuit is hereby being compromised and settled pursuant
5 to the terms and conditions set forth in this Stipulation of Class and Representative Action Settlement
6 (“Settlement Agreement”) and that the Court shall make and enter judgment, subject to the continuing
7 jurisdiction of the Court as set forth below, subject to the definitions, recitals and terms set forth herein
8 which by reference become an integral part of this Settlement Agreement.

9 **DEFINITIONS**

10 1. “Administration Costs” means fees or costs of settlement administration services
11 rendered in administering the settlement.

12 2. “Attorneys’ Fees and Costs” means the amount the Court authorizes to be paid to Class
13 Counsel for attorneys’ fees, not to exceed 33.3% of the Gross Settlement Amount, and litigation costs
14 paid from the Gross Settlement Amount.

15 3. “Class Counsel” means CounselOne, P.C.

16 4. “Class List” means a list of contact information, compiled by Defendant based on their
17 records, containing the following information for each Class Member: full name; last-known mailing
18 address; Social Security number; start and end dates of employment; and information from which the
19 Settlement Administrator can calculate the number of Workweeks during the Class Period and the
20 number of Pay Periods during the PAGA Period.

21 5. “Class” or “Class Member(s)” means all hourly, non-exempt employees employed by
22 Defendant E and J Wood Finish within the State of California during the Class Period.

23 6. “Class Notice” means the document to be sent via first class U.S. mail to Class
24 Members and PAGA Group Members following Preliminary Approval, in substantially the form that
25 is attached hereto as “**EXHIBIT 1**,” or otherwise approved by the Court, which will notify Class
26 Members and PAGA Group Members of the settlement, explain the basic terms of the Settlement
27 Agreement, and inform Class Members of their options with regard to the settlement.

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- 1 7. “Class Period” means the period beginning on June 30, 2018 through May 10, 2023.
- 2 8. “Court” means the Superior Court for the State of California, County of Merced.
- 3 9. “Defendant” means E and J Wood Finish.
- 4 10. “Defendant’s Counsel” means Jackson Lewis P.C.
- 5 11. “Effective Date” means (a) if no objections are timely filed, the final approval date; (b)
- 6 if objections are filed but no appeal is filed, the expiration date of the time for filing notice of any appeal
- 7 from final approval date; or (c) if an appeal is filed, the latest of (i) the date of final affirmance of an
- 8 appeal of that Final Approval Order, (ii) the expiration of the time for a petition for review or writ of
- 9 certiorari with respect to the Final Approval Order and, if review or certiorari is granted, the date of
- 10 final affirmance of the Final Approval Order following review pursuant to that grant; or (iii) the date
- 11 of final dismissal of any appeal from the Final Approval Order or the final dismissal of any proceeding
- 12 on review or certiorari with respect to the Final Approval Order that has the effect of confirming the
- 13 Final Approval Order.
- 14 12. “Employer’s Share of Payroll Taxes” means Defendant’s share of all applicable
- 15 federal, state and local payroll taxes and customary withholdings, including the employer FICA, FUTA,
- 16 and SDI contributions, on the portion of the Individual Settlement Share that constitutes wages. The
- 17 Employer’s Share of Payroll Taxes shall be separately paid by Defendant and shall not be paid from
- 18 the Gross Settlement Amount or Net Settlement Amount.
- 19 13. “Enhancement Payment” means the amount that the Court authorizes to be paid to the
- 20 Class Representative, in addition to his Individual Settlement Payment, in recognition of his efforts and
- 21 risks in assisting with the prosecution of the Lawsuit, not to exceed seven thousand five hundred dollars
- 22 (\$7,500.00).
- 23 14. “Final Approval Hearing” means the hearing following Preliminary Approval and
- 24 distribution of the Class Notice to Class Members and PAGA Group Members, at which the Court will
- 25 determine whether to fully and finally approve the fairness and reasonableness of this Settlement
- 26 Agreement, and at which Plaintiff will request that the Court enter the Final Approval Order and
- 27 Judgment, approve and award Attorneys’ Fees and Costs, Enhancement Payment, Individual
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Settlement Payments, Administration Costs, and LWDA Payment, and take other appropriate or necessary action as described herein.

15. “Final Approval Hearing Date” means the date of the Final Approval Hearing.

16. “Final Approval Order and Judgment” means the order or orders entered by the Court that, *inter alia*, finally approve(s) this Settlement Agreement, disposes of all issues raised in the Lawsuit by way of judgment in conformity with California Rules of Court 3.769, and awards and orders the payment of all required amounts pursuant to the terms of this Settlement Agreement.

17. “Gross Settlement Amount” or “GSA” means the maximum total payment of two hundred thousand dollars (\$200,000.00) payable by Defendant under this Settlement Agreement, inclusive of all Individual Settlement Payments, Attorneys’ Fees and Costs, Administration Costs, Enhancement Payment to the Class Representative, and the PAGA Payment. The Gross Settlement Amount is non-reversionary, subject to increase pursuant to Paragraph 54, and exclusive of the Employer’s Share of Payroll Taxes, which shall be paid separately.

18. “Individual Settlement Share(s)” means a Settlement Class Member’s *pro rata* share of the Net Settlement Amount, which is to be determined in conformity with Paragraph 48(f), which is inclusive of the employee-side payroll taxes, contributions, and withholdings with respect to the wage portion of the Individual Settlement Shares.

19. “Individual Settlement Payment(s)” means the sum of the Individual Settlement Share and, if applicable, the individual PAGA payment.

20. “Lawsuit” means the action entitled *Joel Meza v. E and J Wood Finish, et al.*, filed on February 17, 2023, in the Merced County Superior Court and assigned case number 23CV-00583.

21. “LWDA Payment” means the payment that is to be approved by the Court pursuant to Labor Code section 2699 and distributed as the seventy-five percent (75%) portion of the PAGA Payment (*i.e.*, \$22,500.00) to the California Labor and Workforce Development Agency (“LWDA”). Class Counsel shall give timely notice of the settlement to the LWDA under Labor Code section 2699(l)(2).

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1 22. “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount
2 that is available for distribution to Settlement Class Members, which will be the Gross Settlement
3 Amount less the amounts awarded for Class Counsel’s Fees and Costs, Enhancement Award, PAGA
4 Payment, and Administration Costs.

5 23. “PAGA Group Member(s)” means all hourly, non-exempt employees employed by
6 Defendant E and J Wood Finish within the State of California during the PAGA Period.

7 24. “PAGA Group Members’ Released Claims” means all claims for civil penalties arising
8 under the PAGA during the PAGA Period that were alleged or reasonably could have been alleged
9 based on the facts or claims pled in the operative complaint filed by Plaintiff in the Lawsuit including,
10 but not limited to, alleged violations of Labor Code sections Labor Code sections 201, 202, 203, 204,
11 223, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and any claims
12 and/or liability for interest and all attorneys’ fees and costs available under the PAGA arising out of
13 the facts asserted in the operative complaint for the aforementioned Labor Code violations.

14 25. “PAGA Payment” means the payment of penalties pursuant to the Labor Code sections
15 2968 *et seq.*, the Private Attorneys General Act of 2004 (“PAGA”), that the Parties have agreed is a
16 reasonable sum to be paid in settlement of the PAGA claims encompassed by the underlying allegations
17 in the Lawsuit, which is thirty thousand dollars (\$30,000.00).

18 26. “PAGA Period” means the period beginning on June 30, 2021 through the earlier of
19 either the date of Preliminary Approval or May 10, 2023.

20 27. “Parties” means Plaintiff, individually and on behalf of all Class Members and PAGA
21 Group Members as defined in Paragraphs 5 and 23 herein, and Defendant. Plaintiff and Defendant may
22 be individually referred to as a “Party.”

23 28. “Pay Period(s)” means pay periods during the PAGA Period which, based on
24 Defendant’s records, PAGA Group Members were actively employed by Defendant and worked during
25 at least a portion of such pay period in an hourly, non-exempt position in California.

26 29. “Plaintiff” or “Class Representative” means Plaintiff Joel Meza.

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1 30. “Preliminary Approval Order” means the order to be entered by the Court that
2 preliminarily approves the terms and conditions of this Settlement Agreement, including the content of
3 the Class Notice, and sets a Final Approval Hearing.

4 31. “Released Parties” means Defendant and its former and present officers, directors,
5 owners, shareholders, members, employees, agents, principals, representatives, consultants, attorneys,
6 insurers, predecessors, successors, assigns, parents, related entities, subsidiaries, and affiliates.

7 32. “Response Deadline” means the last date on which Class Members may submit an opt-
8 out/request for exclusion, workweek dispute, or objection to the settlement, which shall be the later of
9 either forty-five (45) calendar days after the Settlement Administrator mails the original Class Notice
10 to Class Members or thirty (30) calendar days after the Settlement Administrator re-mails any Class
11 Notice which was returned to the Settlement Administrator.

12 33. “Settlement Administrator” means CPT Group, Inc. the neutral third-party
13 administrator mutually agreed upon by the Parties, subject to approval by the Court.

14 34. “Settlement Class” or “Settlement Class Member§” means all hourly, non-exempt
15 employees employed by Defendant E and J Wood Finish within the State of California during the Class
16 Period, who have not submitted a timely and valid opt-out/Request for Exclusion pursuant to Paragraph
17 55.

18 35. “Settlement Class Members’ Released Claims” means all liabilities, causes of action
19 and/or claims that were alleged or that could have been alleged based on the facts or claims pled in the
20 operative complaint filed by Plaintiff in the Lawsuit, arising at any time during the Class Period, for:
21 (1) failure to pay minimum wages pursuant to Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1 and
22 the Relevant Industrial Welfare Commission (“IWC”) Wage Orders; (2) failure to pay all regular and
23 overtime wages pursuant to California Labor Code §§ 223, 510, 1198 and the Relevant IWC Wage
24 Orders; (3) failure to provide meal periods pursuant to Labor Code §§ 226.7 and the Relevant IWC
25 Wage Orders; (4) failure to provide rest breaks pursuant to Labor Code § 226.7 and the Relevant IWC
26 Wage Orders; (5) failure to reimburse business expenses pursuant to Labor Code §§ 2800 and 2802;
27 (6) failure to provide accurate itemized employee wage statements pursuant to Labor Code §§ 226 and
28 226.3; (7) failure to pay all wages owed timely and upon separation of employment pursuant to Labor

Code §§ 201, 202, 203, 204, and 210; (8) failure to maintain records in violation of Labor Code section 1174(d); and (9) violation of Business & Professions Code sections 17200, *et seq.* This release excludes the release of claims not permitted by law.

36. “Workweek(s)” means a seven-day work week during the Class Period during which, based on Defendant’s records, Class Members were actively employed by Defendant and worked at least a portion of such workweek in a non-exempt, hourly position in California. Defendant shall certify the number of workweeks that have accrued for all Class Members during the Class Period, in accordance with Paragraphs 48(f) and 54 below.

RECITALS

37. **Procedural History.** On February 17, 2023, Plaintiff filed his Class and Representative Complaint, alleging causes of action for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to reimburse business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay all wages owed timely and upon separation of employment; (8) violation of Labor Code § 1174(d); (9) Violation of Business & Professions Code §§ 17200, *et seq.*; and (10) civil penalties pursuant to California’s Private Attorneys General Act of 2004 (Labor Code §§ 2698, *et seq.*). It is important to note that, notwithstanding the filing date of the operative Complaint, the Parties, through their respective counsel, entered into a pre-filing written tolling agreement that tolled the statute of limitations from June 30, 2022.

38. **Pre-Filing PAGA Notice.** On June 30, 2022, counsel for Plaintiff provided pre-filing written notice to the LWDA and by certified mail to Defendant of the above-identified allegations on behalf of Plaintiff and similarly situated aggrieved employees in accord with the PAGA, Labor Code sections 2698, *et seq.*

39. **Tolling Agreement.** The Parties entered into a tolling agreement to toll all applicable statutes of limitations effective June 30, 2022.

40. **Discovery and Investigation.** Plaintiff’s attorneys began their investigation into the at-issue allegations well in advance of filing the complaint and engaged in extensive informal discovery and investigation, and such was sufficient to allow the Parties to evaluate the case prior to settlement.

1 In advance of mediation, the Parties agreed to an informal exchange of information and documents.
2 For example, Class Counsel requested production of and reviewed key information and documents such
3 as the number of putative class members and aggrieved employees, relevant wage and hour policies,
4 time and payroll records, rates of pay, among other things. Class Counsel also analyzed time and payroll
5 records and interviewed Class Members to determine violation rates. The Parties met and conferred at
6 length regarding the information and documents produced.

7 41. **Mediation.** After having performed extensive investigation and analysis of the legal
8 and factual issues and risks, the Parties participated in a full-day mediation before mediator Paul
9 Grossman. The settlement discussions were conducted at arm's length. Pursuant to a mediator's
10 proposal, the Parties came to agreement on all material terms of this settlement.

11 42. **Memorandum of Understanding.** The Parties entered into a short-form Memorandum
12 of Understanding as to the material terms of the settlement.

13 43. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the
14 expense and length of continued proceedings necessary to litigate their disputes through trial and
15 through any possible appeals. Plaintiff and Class Counsel have also taken into account the uncertainty
16 and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation.
17 Further, Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish liability
18 for the claims asserted in the Lawsuit, both generally and in response to Defendant's defenses thereto,
19 and the difficulties in establishing damages for Class Members. Based on the foregoing, Plaintiff and
20 Class Counsel have determined that the settlement set forth herein is a fair, adequate and reasonable
21 settlement, and is in the best interests of Class Members and PAGA Group Members.

22 44. **Defendant's Reasons for Settlement and Non-Admission.** Defendant has concluded
23 that any further defense of this litigation would be protracted and expensive for all Parties. Substantial
24 amounts of time and resources of Defendant have been and, unless this settlement is made, will continue
25 to be devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account
26 the risks of further litigation in reaching its decision to enter into this Settlement Agreement. Despite
27 continuing to contend that it is not liable for any of the claims set forth by Plaintiff, Defendant has,
28 nonetheless, agreed to settle in the manner and upon the terms set forth in this Settlement Agreement

1 to put to rest the claims alleged in the Lawsuit. Defendant has claimed and continues to claim that the
2 Settlement Class Members' Released Claims, and PAGA Group Members' Released Claims have no
3 merit and do not give rise to liability. This settlement is a compromise of disputed claims.

4 45. **This Settlement Is Fair, Adequate, and Reasonable.** The Parties believe this
5 settlement is a fair, adequate, and reasonable settlement of the Lawsuit and have arrived at this
6 settlement after a mediation, extensive arm's-length negotiations, and taking into account all relevant
7 factors, present and potential.

8 **TERMS AND CONDITIONS**

9 **NOW, THEREFORE,** in consideration of the Recitals above and the promises and warranties
10 set forth below, and intending to be legally bound and acknowledging the sufficiency of the
11 consideration and undertakings set herein, Plaintiff, individually and on behalf of Class Members and
12 PAGA Group Members, on the one hand, and Defendant, on the other hand, agree that the Lawsuit
13 shall be, and is finally and fully compromised and settled on the following terms and conditions, subject
14 to Court approval:

15 46. **Non-Admission of Liability.** The Parties enter into this Settlement Agreement to
16 resolve the Lawsuit and to avoid the burden, expense, and risk of continued litigation. In entering into
17 this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any
18 state or local law; violated any regulations or guidelines promulgated pursuant to any statute or any
19 other applicable laws, regulations, or legal requirements; or engaged in any other unlawful conduct or
20 wrongdoing with respect to their employees. Neither this Settlement Agreement, nor any of its terms
21 or provisions, nor any of the negotiations connected with it, shall be construed as an admission or
22 concession by Defendant of any such violation(s) or failure(s) to comply with any applicable law.
23 Furthermore, the Parties agree that the settlement of this action on a class and representative action
24 basis shall not impact the enforceability of any agreement to arbitrate or class or representative action
25 waiver entered between Defendant and any Class Member or PAGA Group Member. Except as
26 necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement
27 and its terms and provisions shall not be offered or received as evidence in any action or proceeding to
28 establish any liability or admission on the part of Defendant or to establish the existence of any

condition constituting a violation of, or a noncompliance with, state, local, or other applicable law. In addition, as set forth herein, the Parties intend this settlement to be contingent upon the Preliminary Approval and Final Approval of this Settlement Agreement, and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Lawsuit as if this Settlement Agreement never existed in the event the settlement is not finally approved as set forth herein.

47. **Release of Claims by Settlement Class Members.** Upon the Final Approval Date, Plaintiff and all Settlement Class Members (e.g., those who do not opt out of the settlement), for and in consideration of the Gross Settlement Amount, along with the terms and undertakings herein, the sufficiency and fairness of which are acknowledged, release and forever discharge Defendant and the Released Parties from the Settlement Class Members' Released Claims from June 30, 2018, through the earlier of either the date of Preliminary Approval or May 10, 2023. This release excludes the release of claims not permitted by law.

48. **Release of Claims by PAGA Group Members.** Upon the Final Approval Date, all PAGA Group Members will release the Released Parties from the PAGA Group Members' Released Claims during the PAGA Period.

48. **Payments under the Settlement.** In consideration of the mutual covenants and promises set forth herein, Defendant agrees to pay the Gross Settlement Amount of two hundred thousand dollars (\$200,000.00). Defendant shall not be required to pay any amount above the Gross Settlement Amount under this Settlement Agreement, with the exception of the Employer's Share of Payroll Taxes, and if the escalator clause is triggered by Defendant in accordance with Paragraph 54. The Parties agree that the Gross Settlement Amount will be paid by Defendant on a non-reversionary basis and no portion of the Gross Settlement Amount will revert to Defendant. At no time shall Defendant have the obligation to segregate the funds comprising the Gross Settlement Amount, and Defendant shall retain exclusive authority over, and the responsibility for, those funds through and until the date Defendant is obligated to fund the settlement through an order of final approval. The Parties agree, subject to Court approval, that the Gross Settlement Amount shall be apportioned as follows:

a. Plaintiff will apply to the Court for an award of attorneys' fees of no more than thirty-three and three-tenths percent (33.3%) of the Gross Settlement Amount (i.e., \$66,600) to Class

1 Counsel (“Attorneys’ Fees”) and for an award of reimbursement of actual litigation costs and expenses
2 of not to exceed twenty five thousand dollars (\$25,000) to Class Counsel (“Attorneys’ Costs”). The
3 Attorneys’ Fees and Attorneys’ Costs (again, in the aggregate, “Attorneys’ Fees and Costs”) are
4 included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such
5 application.

6 b. Plaintiff will also apply to the Court for payment to the Settlement
7 Administrator for the costs of notice and settlement administration (again, “Administration Costs”) not
8 to exceed twelve thousand five hundred dollars (\$12,500). These costs will include the required tax
9 reporting on the Individual Settlement Shares, the issuing of IRS Forms 1099 and W-2, and distributing
10 Notice Packets, calculating and distributing the Gross Settlement Amount, and providing necessary
11 reports and declarations. The Administration Costs are included in, and will be paid from, the Gross
12 Settlement Amount. Defendant will not oppose such application.

13 c. Plaintiff will apply to the Court for payment in the amount of seven thousand
14 five hundred dollars (\$7,500.00) to Plaintiff (again, “Enhancement Payment”), for his services and
15 responsibilities in prosecuting the Lawsuit. The Enhancement Payment is included in, and will be paid
16 from, the Gross Settlement Amount. Defendant will not oppose such application.

17 d. The amount of thirty thousand dollars (\$30,000.00) is allocated towards
18 penalties pursuant to Labor Code sections 2698, *et seq.* (“PAGA Payment”), of which the LWDA will
19 be paid the amount of twenty-two thousand five hundred dollars (\$22,500.00) (“LWDA Payment”) and
20 the amount of seven thousand five hundred dollars (\$7,500.00) will be distributed on a *pro rata* Pay
21 Period basis to all PAGA Group Members (*i.e.*, individual recovery depends on each PAGA Group
22 Member’s ratio of his or her Pay Periods relative to the total Pay Periods of all PAGA Group Members)
23 who worked during the PAGA Period, and irrespective of whether he or she is a Settlement Class
24 Member. The PAGA Payment will be included in, and will be paid from, the Gross Settlement Amount.

25 e. Any of the foregoing amounts not awarded by the Court shall be added to the
26 Net Settlement Amount.

27 f. The Net Settlement Amount will be the amount that is available for distribution
28 to Class Members on a *pro rata* Workweek basis. Defendant shall certify the number of Workweeks

1 that have accrued for all Class Members during the Class Period in accordance with Paragraphs 48(f)
2 and 54. The sum of all Class Members' individual Workweeks will be the "Total Workweeks." The
3 Net Settlement Amount will be divided by the Total Workweeks to yield the "Workweek Value." Each
4 Class Member's Individual Settlement Share will be determined by multiplying his or her individual
5 Workweeks by the Workweek Value.

6 49. **No Credit toward Benefit Plans.** Payments made to Plaintiff, Settlement Class
7 Members, and PAGA Group Members under this Settlement Agreement shall not be utilized to
8 calculate any additional benefits under any benefit plans to which they may be eligible including, but
9 not limited to, under profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation
10 plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that
11 this Settlement Agreement will not affect any rights, contributions, or amounts to which Plaintiff,
12 Settlement Class Members, and PAGA Group Members may be entitled under any benefit plans.

13 50. **Taxation of Settlement Proceeds.**

14 a. The Parties agree that twenty-five percent (25%) of each Individual Settlement Share
15 will be considered taxable wages and will be reported as such to each Settlement Class Member on IRS
16 Form W-2. The Parties agree that seventy-five percent (75%) of each Individual Settlement Share will
17 be considered interest and penalties and will be reported as such to each Settlement Class Member on
18 IRS Form 1099 (if required). The Parties agree that one hundred percent (100%) of each individual
19 PAGA payment will be considered penalties and will be reported as such to each PAGA Group Member
20 on IRS Form 1099 (if required).

21 b. The Settlement Administrator shall calculate and remit to applicable taxing authorities
22 sufficient amounts for the employee and employer taxes.

23 c. The Settlement Administrator will issue appropriate tax forms to each Settlement Class
24 Member and PAGA Group Member consistent with the foregoing breakdown.

25 d. All Parties represent that they have not received, and shall not rely on, advice or
26 representations from Plaintiff, Class Counsel, the Released Parties, or Defendant's Counsel regarding
27 the tax treatment of payments under federal, state, or local law, and that no representations have been
28 made to them regarding the taxability of any payments under the settlement. Other than the withholding

1 and reporting requirements herein, Settlement Class Members shall be solely responsible for the
2 reporting and payment of their share of any federal, state, and/or local income or other taxes on
3 payments received under the settlement.

4 e. Class Counsel will be issued IRS Form 1099 for Attorneys' Fees and Costs awarded
5 by the Court. Except as provided herein, each of the Parties shall bear his, her, their, or its own
6 attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the Lawsuit.

7 f. Plaintiff will be issued an IRS Form 1099 for his Enhancement Payment. The
8 Enhancement Payment payable to Plaintiff shall be in addition to the Individual Settlement Payment
9 he is contemplated to receive under this Settlement Agreement.

10 51. **Notice Procedure.**

11 a. The Parties shall use CPT Group, Inc. as the Settlement Administrator to distribute the
12 Class Notice, distribute payments under this Settlement Agreement, handle tax reporting, establish and
13 host a dedicated case settlement website, and field questions with a telephonic hotline.

14 b. Defendant will provide the Settlement Administrator with the Class List within ten (10)
15 calendar days following the date of Preliminary Approval. The Class List and any other data provided
16 by Defendant to the Settlement Administrator shall not be used by the Settlement Administrator for any
17 purpose other than as permitted by this Settlement Agreement. The Settlement Administrator will use
18 the Class List only for the purposes described herein, and ensure that any other communications with
19 Class Members shall not include the Class Members' Social Security numbers except for the last four
20 digits.

21 c. The Settlement Administrator shall be responsible for:

22 i. Calculating the number of Workweeks during the Class Period and the number
23 of Pay Periods during the PAGA Period;

24 ii. Mailing the Class Notice to Class Members and PAGA Group Members as
25 directed by the Court;

26 iii. Consulting with counsel for the Parties concerning any relevant issue, including
27 (without limitation) the estimated payments to Settlement Class Members and PAGA Group Members;
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1 iv. Receiving and processing Workweek Disputes and rejecting untimely or
2 improper Workweek Disputes;

3 v. Keeping track of Opt-Outs/Requests for Exclusion, and rejecting untimely or
4 improper Opt-Outs/Requests for Exclusion;

5 vi. Keeping track of Objections;

6 vii. Distribution of payments in accordance with this Settlement Agreement and the
7 Court's orders;

8 viii. Providing weekly status reports to counsel for the Parties, including: (a) the
9 number of Class Notices mailed; (b) the number of Workweek Disputes received; (c) the number of
10 Objections received; and (d) the number of Opt-Outs/Requests for Exclusion received;

11 ix. No later than twenty-one (21) business days before the Final Approval Hearing,
12 preparing and providing to Class Counsel and Defendant's Counsel, for filing with the Court in support
13 of Plaintiff's motion for final approval of the settlement, a declaration of due diligence setting forth its
14 compliance with its obligations under this Settlement Agreement;

15 x. Notifying Defendant's Counsel, within three (3) business days after the
16 Effective Date, of the wiring instructions to fund the Gross Settlement Amount, which must be paid by
17 Defendant in the amounts and in accordance with the deadlines set forth herein;

18 xi. Issuing the following: IRS Form W-2 to each Settlement Class Member for the
19 wage portion of each Individual Settlement Share, IRS Form 1099 (if required) to each Settlement Class
20 Member for the non-wage portion of each Individual Settlement Share, IRS Form 1099 to Plaintiff for
21 his Enhancement Award, IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs award,
22 and IRS Form 1099 to the Settlement Administrator for the Administration Costs; and,

23 xii. Such other tasks as the Parties mutually agree or the Court orders the Settlement
24 Administrator to perform, including responding to questions from Class Members and PAGA Group
25 Members.

26 d. Within ten (10) calendar days of receipt of the Class List, the Settlement Administrator
27 shall mail the Class Notice to all persons shown by Defendant's records to be Class Members, as
28 reflected in the Class List, via first class U.S. mail, using the most current mailing address available

1 after a National Change of Address search. The Class Notice shall state an estimate of each Class
2 Member's respective Individual Settlement Share and the number of Workweeks credited to him or her
3 along with an estimate of each PAGA Group Member's respective individual PAGA payment and the
4 number of Pay Periods credited to him or her, based on Defendant's certification pursuant to Paragraphs
5 48(d), 48(f), and 54.

6 e. Any Class Notice(s) returned to the Settlement Administrator as undelivered within
7 fifteen (15) calendar days of initial mailing and bearing a forwarding address shall be re-mailed by the
8 Settlement Administrator within three (3) business days following receipt of the returned mail. For any
9 such Class Notice returned to the Settlement Administrator without a forwarding address, the
10 Settlement Administrator shall first conduct a National Change of Address search as required for
11 undeliverable notices, followed by a computer/SSN and "skip trace" search to obtain an updated
12 address, and shall promptly re-mail the Class Notice to any newly found address or addresses. The
13 Settlement Administrator shall also re-mail by first class U.S. mail any such Class Notice returned by
14 the Post Office with a forwarding address. It shall be conclusively presumed that those Class Members
15 whose re-mailed Class Notice is not returned to the Settlement Administrator as undeliverable within
16 five (5) calendar days after re-mailing have received the Class Notice.

17 f. Class Counsel shall provide the Court with a declaration from the Settlement
18 Administrator confirming that the Class Notice was mailed to all Class Members and PAGA Group
19 Members as required by this Settlement Agreement, as well as any additional information Class
20 Counsel deem appropriate to provide to the Court, before the Final Approval Hearing.

21 52. **Settlement Payments.** Class Members and PAGA Group Members are not required to
22 submit a claim form to receive a settlement payment.

23 53. **Submission of Workweek Disputes.**

24 a. If any Class Member disputes the Workweeks set forth on the Class Notice during the
25 Class Period ("Workweeks Dispute"), the Class Member may submit documentation supporting his or
26 her position by mail to the Settlement Administrator no later than forty-five (45) calendar days from
27 the date the Class Notice is originally mailed by the Settlement Administrator for those Class Members
28 whose original mailing was not returned to the Settlement Administrator, or thirty (30) days from the

1 date of the re-mailing to Class Members whose Class Notice was returned to the Settlement
2 Administrator, whichever is later (again, “Response Deadline”). Workweek Disputes not postmarked
3 or confirmed received by the Settlement Administrator on or before the Response Deadline will be
4 considered late and may be summarily rejected by the Settlement Administrator, in consultation with
5 Class Counsel and Defendant’s Counsel.

6 The Settlement Administrator will notify counsel for the Parties of any disputes via email. The
7 Settlement Administrator will consult with the Parties to determine whether an adjustment is
8 warranted. The Parties and the Settlement Administrator will evaluate the evidence and discuss in
9 good faith how many Workweeks to be credited in conformity with Paragraph 48(f). If the Parties and
10 the Settlement Administrator do not reach agreement, the Court will make the final determination as
11 to how many Workweeks should be credited.

12 54. **Pro-Rata Increase of Gross Settlement Amount.** The Parties agreed to resolve this
13 dispute for the Gross Settlement Amount based on the calculated number of workweeks performed by
14 Class Members between June 30, 2018 and February 9, 2023. Defendant has represented that the
15 workweeks between June 30, 2018, and February 9, 2023, are approximately 7,777. If the actual
16 number of Workweeks during this timeframe should exceed 7,777 by more than ten percent (10%),
17 the Gross Settlement Amount shall be increased by the percentage difference between 7,777 and the
18 actual number of Workweeks during that period.

19 55. **Opt-Out Procedure.**

20 a. Class Members may request to opt out of the class settlement by mailing a written
21 request for exclusion (“Request for Exclusion”) to the Settlement Administrator. To be timely, Requests
22 for Exclusion must be mailed to the Settlement Administrator, postmarked on or before the Response
23 Deadline.

24 b. A Request for Exclusion should: (1) be signed by the Class Member; (2) contain the
25 case name and case number of the Lawsuit; (3) contain the Class Member’s full name, telephone
26 number, and mailing address; and (4) clearly state that the Class Member wants to opt out of the
27 settlement. No specific language is required in the Request for Exclusion provided it is sufficiently
28

1 clear that the Class Member desires to be excluded from the class settlement. No opt-out request may
2 be made on behalf of more than one Class Member.

3 c. Upon receipt of any timely Request for Exclusion, the Settlement Administrator shall
4 review the request to verify the information contained therein and confirm that the request complies
5 with the requirements of this Settlement Agreement.

6 d. Any Class Member who fails to submit via first class U.S. mail a timely and valid
7 Request for Exclusion shall be barred from opting out of the settlement. The Settlement Administrator
8 shall not review or consider any Request for Exclusion postmarked after the Response Deadline. Under
9 no circumstances shall the Settlement Administrator have the authority to extend the Response
10 Deadline for Class Members to file a Request for Exclusion, except as ordered by the Court or mutually
11 agreed by the Parties.

12 e. Plaintiff agrees not to request to be excluded from the settlement.

13 f. PAGA Group Members may not opt out of the settlement of the PAGA Group
14 Members' Released Claims.

15 56. **Defendant's Right to Cancel.** If more than five percent (5%) of class members
16 submit a timely and valid Request for Exclusion, Defendant shall have the sole and absolute discretion
17 to withdraw from this Settlement Agreement within ten (10) calendar days after the Response Deadline
18 by providing written notice of such withdrawal to Class Counsel. In the event that Defendant elects to
19 withdraw as set forth in this provision, the withdrawal shall have the same effect as a termination of
20 this Settlement Agreement for failure to satisfy a condition of settlement and shall become null and
21 void and have no further force or effect. If Defendant exercises its option to terminate this settlement,
22 it shall pay all Administration Costs already incurred by the Settlement Administrator.

23 57. **Objections to Settlement.**

24 a. Any Settlement Class Member may object to the settlement by either mailing a written
25 objection to the Settlement Administrator ("Objection") or appearing at the Final Approval Hearing to
26 discuss the Settlement Class Member's objection with the Court and the Parties at Settlement Class
27 Member's own expense. To be timely, written Objections must be mailed to the Settlement
28 Administrator, postmarked on or before the Response Deadline.

b. An Objection should: (1) be signed by the Settlement Class Member; (2) contain the case name and case number of the Lawsuit; (3) contain the Settlement Class Member's full name, telephone number, and mailing address; (4) clearly state the factual and legal basis for objecting to the settlement; (5) indicate whether the Settlement Class Member is represented by counsel and identify said counsel; and (6) indicate whether the Settlement Class Member intends to appear at the Final Approval Hearing and seeks to be heard at the Final Approval Hearing. The Settlement Administrator will provide the Parties' counsel with any Objections received and also attach the Objections as exhibits to its declaration regarding due diligence that will be filed with the Court in advance of the Final Approval Hearing.

58. **Settlement Proceeds Distribution Deadlines.**

a. Defendant shall fund fifty percent (50%) of the Gross Settlement Amount within thirty (30) business days after the Effective Date, and will fund the remaining fifty percent (50%) of the Gross Settlement Amount by twelve months after the Effective Date. If the Gross Settlement Amount increases or changes pursuant to Paragraph 54, then the amount to be paid by Defendant will proportionally increase or change. Defendant will supply to Plaintiff for filing with the Court a letter detailing the reasons why paying the entire settlement amount at once would impose material financial difficulties on Defendant.

b. No later than ten (10) calendar days after Defendant fully funds the Gross Settlement Amount, the Settlement Administrator shall distribute payments in accordance with this Settlement Agreement and the Court's orders, as follows: (i) payment of the Enhancement Payment to Plaintiff; (ii) payment of the LWDA Payment to the Labor and Workforce Development Agency ("LWDA"); (iii) payment of Individual Settlement Payments to Settlement Class Members and PAGA Group Members; (iv) payment of Attorneys' Fees and Costs to Class Counsel; and (v) payment of Administration Costs to the Settlement Administrator.

c. Settlement checks will be valid for a period of one hundred and eighty (180) calendar days from the date of issuance, and after this time period, any uncashed check(s) will be cancelled, and the funds associated with such cancelled checks will be transmitted to mutually agreeable *cy pres* beneficiary in conformity with the requirements of California Code of Civil Procedure section 384.

1 d. The remittance of all Court ordered and approved payments, under this Settlement
2 Agreement, to the Settlement Administrator shall constitute the full and complete discharge of the entire
3 obligation of Defendant under this Settlement Agreement.

4 e. No person shall have any claim against the Settlement Administrator, Defendant,
5 Plaintiff, Class Counsel, Defendant's Counsel, or any other agent designated by Plaintiff or Defendant
6 based upon the distribution of payments made in accordance with this Settlement Agreement or further
7 orders of the Court.

8 f. Defendant shall not be obligated to make any payments contemplated by this
9 Settlement Agreement unless and until the Court enters the Final Approval Order and Judgment, and
10 after the Effective Date, and no amounts will be owed or payable until all appeals or other collateral
11 attack have been lapsed or have been favorably resolved in favor of the settlement and no further
12 challenge to the settlement is possible.

13 59. **Binding Effect.**

14 a. Subject to Final Approval, all Settlement Class Members and PAGA Group Members
15 shall be bound by this Settlement Agreement, the contemplated Final Approval Order and Judgment,
16 and the release of Settlement Class Members' Released Claims and PAGA Group Members' Released
17 Claims against the Released Parties.

18 b. Subject to Final Approval, all Class Members, whether or not they submit a request for
19 exclusion, employed by Defendant during the PAGA Period (the "PAGA Group Members") will
20 receive a PAGA payment and will no longer be able to seek penalties under the PAGA for PAGA
21 Group Members' Released Claims.

22 c. A copy of the Final Approval Order and Judgment will be available on the Settlement
23 Administrator's website for at least ninety (90) days pursuant to California Rules of Court, Rule
24 3.771(b).

25 60. **Provisional Approval of Settlement.** After execution of this Settlement Agreement,
26 Plaintiff shall file a motion seeking preliminary approval of the settlement. Defendant shall not oppose
27 the motion for preliminary approval of the settlement so long as the motion and supporting papers are
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consistent with the terms of this Settlement Agreement. By way of the motion, the Court will be requested to enter a Preliminary Approval Order that:

- a. Preliminarily approves this Settlement Agreement;
- b. Conditionally certifies the Class, for purposes of settlement only;
- c. Preliminarily appoints Plaintiff as representative of the Class for settlement purposes only;
- d. Preliminarily appoints Class Counsel as counsel for the Class for settlement purposes only;
- e. Approves and appoints the Settlement Administrator to administer the settlement as required by this Settlement Agreement;
- f. Approves the form of the Class Notice and requires that it be sent to Class Members and PAGA Group Members by first class U.S. mail;
- g. Schedules the Final Approval Hearing; and
- h. Approves the procedure and deadlines for Class Members to submit Requests for Exclusion, Objections, and Workweek Disputes.

61. **Non-Interference with Settlement Administration.** The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit Requests for Exclusion or Objections to the settlement or to appeal from the Final Approval Order and Judgment.

62. **Final Approval Order and Judgment.** Defendant shall not oppose the motion for final approval of the settlement so long as the motion and supporting papers are consistent with the terms of this Settlement Agreement. Plaintiff will request, and Defendant will concur in said request, that the Court enter, after the Final Approval Hearing, a Final Approval Order and Judgment drafted by Plaintiff in the form that is consistent with this Settlement Agreement and subject to prior review and approval by Defendant. Plaintiff will request that the Final Approval Order and Judgment find that this settlement is fair, just, equitable, reasonable, adequate and in the best interests of Settlement Class Members and PAGA Group Members, enter judgment in accordance with California Rules of Court, Rule 3.769, and require the Parties to carry out the provisions of this Settlement Agreement.

63. **Voiding of Settlement Agreement if Settlement Not Finalized or for Failure to Satisfy Conditions.**

a. The Court may award less to Plaintiff, Class Counsel, Settlement Administrator, and/or the LWDA than is provided for herein, without impacting the validity and enforceability of this Settlement Agreement.

b. If for any reason the settlement set forth in this Settlement Agreement is terminated as provided under this Paragraph or Paragraph 56, or does not otherwise become final:

i. The settlement shall be null and void and the orders and judgment to be entered pursuant to this Settlement Agreement shall be vacated; and the Parties will be returned to the status quo prior to entering this Settlement Agreement with respect to the Lawsuit, as if the Parties had never entered into this Settlement Agreement.

ii. The Settlement Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto, Class Members, and PAGA Group Members, who shall be restored to their respective positions existing prior to the execution of this Settlement Agreement, and evidence relating to the Settlement Agreement and all negotiations shall not be admissible or discoverable in the litigation and/or Lawsuit or otherwise.

iii. Defendant will not have waived, and instead expressly reserve, their rights to challenge the continuing propriety of class certification or representative adjudication for any purpose.

iv. Plaintiff and Class Counsel will not have waived, and instead expressly reserve, their rights to move for collective and/or class certification and seek representative adjudication.

v. To the extent one exists, the Preliminary Approval Order shall be vacated in its entirety and neither this Settlement Agreement, the Preliminary Approval Order, nor any other document in any way relating to any of the foregoing, shall be relied upon, referred to, or used in any way for any purpose in connection with any further proceedings in this or any related action, including class certification proceedings.

64. **No Publicity.** Plaintiff and Class Counsel agree not to disclose or publicize the settlement, including the fact of the settlement, its terms or contents, and the negotiations underlying the settlement, in any manner or form, directly or indirectly, to any person or entity, except potential

Class Members and as shall be contractually required to effectuate the terms of the settlement. Plaintiff and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the settlement, including the fact of the settlement, its terms or contents and the negotiations underlying the settlement, except as shall be contractually required to effectuate the terms of the settlement. If the Parties or their counsel are contacted by the press, media or any industry association, they will respond only that the case has been amicably resolved to the parties' mutual satisfaction. This provision will not prevent Plaintiff or Class Counsel from discussing the allegations in the Lawsuit with Class Members.

65. **Notices.** All notices, requests, demands, and other communications required or permitted to be given pursuant to this Settlement Agreement shall be in writing, and shall be delivered by first class U.S. mail, or email, as follows:

For Plaintiff, Class Members, and PAGA Group Members:

Anthony J. Orshansky
Justin Kachadoorian
CounselOne, P.C.
9301 Wilshire Boulevard, Suite 650
Beverly Hills, California 90210
Anthony@counselonegroup.com
Justin@counselonegroup.com

For Defendant:

Conor J. Dale
Jackson Lewis P.C.
50 California Street, 9th Floor
San Francisco, California 94111
Conor.Dale@jacksonlewis.com

66. **Modification in Writing.** This Settlement Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the Court. This Settlement Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

1 67. **Ongoing Cooperation.** Plaintiff and Defendant and their respective counsel shall
2 execute all documents and perform all acts necessary and proper to effectuate the terms of this
3 Settlement Agreement. The executing of documents must take place prior to the Final Approval
4 Hearing.

5 68. **Binding on Successors.** This Settlement Agreement shall be binding and shall inure
6 to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs,
7 and legal representatives.

8 69. **Entire Agreement.** This Settlement Agreement constitutes the full, complete, and
9 entire understanding, agreement, and arrangement between the Parties with respect to the settlement of
10 the Lawsuit and Release of Claims. This Settlement Agreement supersedes any and all prior oral or
11 written understandings, agreements, and arrangements between the Parties with respect to the
12 settlement of the Lawsuit and Release of Claims. Except as to those set forth and included expressly in
13 this Settlement Agreement, there are no other agreements, covenants, promises, representations, or
14 arrangements between the Parties with respect to the settlement of the Lawsuit.

15 70. **Execution in Counterparts.** This Settlement Agreement may be signed in one or
16 more counterparts and electronic signatures are acceptable. All executed copies of this Settlement
17 Agreement, and photocopies thereof (including facsimile copies of the signature pages), shall have the
18 same force and effect and shall be as legally binding and enforceable as the original.

19 71. **Captions.** The captions and section numbers in this Settlement Agreement are
20 inserted for the reader's convenience and in no way define, limit, construe, or describe the scope or
21 intent of the provisions of this Settlement Agreement.

22 72. **Governing Law.** This Settlement Agreement shall be interpreted, construed,
23 enforced, and administered in accordance with the laws of the State of California, without regard to
24 conflict of law rules.

25 73. **Reservation of Jurisdiction.** Notwithstanding entry and filing of the Final Approval
26 Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and enforcing the
27 terms of this Settlement Agreement.
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1 74. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms
2 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be
3 construed more strictly against one Party than another merely by virtue of the fact that it may have been
4 prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length
5 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
6 Agreement.

7 75. **Representation by Counsel.** The Parties acknowledge that they have been
8 represented by counsel throughout all negotiations that preceded the execution of this Settlement
9 Agreement and that this Settlement Agreement has been executed with the consent and advice of
10 counsel. Further, Plaintiff and Class Counsel warrant and represent, to their knowledge, that there are
11 no liens on this Settlement Agreement.

12 76. **Warranties and Representations.** With respect to themselves, each of the Parties to
13 this Settlement Agreement and/or their agents or counsel represent, covenant, and warrant that (a) they
14 have full power and authority to enter into and consummate all transactions contemplated by this
15 Settlement Agreement and have duly authorized the execution, delivery, and performance of this
16 Settlement Agreement and (b) the person executing this Settlement Agreement has the full right, power,
17 and authority to enter into this Settlement Agreement on behalf of the Party for whom he/she has
18 executed this Settlement Agreement, and the full right, power, and authority to execute any and all
19 necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations
20 of this Settlement Agreement.

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

25 78. **Waiver of Certain Appeals.** The Parties agree to waive appeals and to stipulate to
26 class certification for purposes of this Settlement Agreement only; except, however, that Plaintiff or
27 Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they
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request from the Court, and either Party may appeal any court order that materially alters the Settlement Agreement's terms.

79. **Disputes Related to the Settlement Agreement and Enforcement Actions.** The Parties agree that if any disputes arise out of the finalization of the settlement documentation or of the settlement itself, those disputes are to be referred first to the mediator, Paul Grossman, for resolution and, if still unresolved, to the Judge overseeing the Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

80. **No Prior Assignments.** The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

81. **Full individual release by Plaintiff and waiver of unknown claims:** As further consideration for Defendant's execution of this Settlement Agreement, Plaintiff agrees to provide Defendant with a full and general release of all known and unknown legal claims that can lawfully be subject to a legal release. To effectuate the full and general legal release of known and unknown claims, Plaintiff waives all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and does so understanding the significance of that waiver, which states:

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.

1 **IT IS SO AGREED:**

2
3 Dated: 5-19-23, 2023


Plaintiff Joel Meza

4
5 Dated: _____, 2023

6 Name: _____

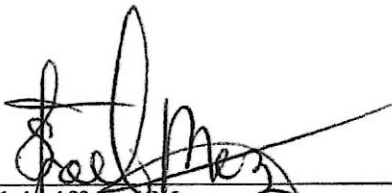
7 Title: _____

8 On Behalf of Defendant E and J Wood Finish

9
10 4873-7335-3050, v. 4

1 IT IS SO AGREED:

2
3 Dated: 5-19-23, 2023


Plaintiff Joel Meza

4
5 Dated: 5/31/23, 2023


Name: Elizabeth Aparicio
Title: Secretary

6
7
8 On Behalf of Defendant E and J Wood Finish

9
10 4873-7335-3050, v. 4