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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

Maria Del Mar Lopez Palacios, individually, and on
behalf of all other aggrieved employees,

Plaintiff,

vs.

BaronHR West, Inc., a Delaware corporation;
Cosmetic Industries, Inc., a California corporation,
Does 1 through 50, inclusive,

Defendants.

Case No. CIVSB2226929

*(Assigned to Judge Christian Towns -
Department S-26)*

PAGA Settlement Agreement

TABLE OF CONTENTS

I.	DEFINITIONS.....	5
A.	Action.....	5
B.	Administrator	5
C.	Administration Expenses Payment	5
D.	Court	5
E.	Defendant.....	5
F.	Defense Counsel	5
G.	Effective Date	5
H.	Final Order and Judgment.....	6
I.	Gross Settlement Amount.....	6
J.	Individual PAGA Payments to the PAGA Group	6
K.	LWDA.....	6
L.	LWDA PAGA Payment.....	6
M.	Net Settlement Amount / PAGA Penalties	7
N.	PAGA.....	7
O.	PAGA Counsel.....	7
P.	PAGA Counsel Attorney's Fees Payment and PAGA Counsel Litigation Expenses Payment	7
Q.	PAGA Group Member	7
R.	PAGA Group Member Address Search.....	7
S.	PAGA Group Member Data	7
T.	PAGA Notice.....	7
U.	PAGA Period	8
V.	PAGA Pay Period	8
W.	PAGA Penalties	8
X.	Plaintiff	8
Y.	Plaintiff Individual Payment.....	8
Z.	Released PAGA Claims.....	8
AA.	Released Parties	8
BB.	Settlement	8
II.	RECITALS	8
III.	MONETARY TERMS.....	9
A.	Gross Settlement Amount.....	9

1	B.	Payments from the Gross Settlement Amount.....	9
2	1.	To Plaintiff.....	9
3	2.	To PAGA Counsel.....	10
4	3.	To the Administrator.....	11
5	C.	Payments from the Net Settlement Amount.....	11
6	IV.	SETTLEMENT FUNDING AND PAYMENTS.....	11
7	A.	PAGA Group Member Data.....	11
8	B.	Funding of Gross Settlement Amount.....	12
9	C.	Payments from the Gross Settlement Amount.....	12
10	V.	RELEASES OF CLAIMS.....	13
11	A.	Plaintiff's Release.....	13
12	B.	Release by the State of California and PAGA Group Members.....	15
13	VI.	MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.....	16
14	A.	Parties to Seek Approval from the Court.....	16
15	B.	Plaintiff's and PAGA Counsels' Responsibilities.....	16
16	C.	Responsibilities of PAGA Counsel and Defense Counsel.....	17
17	D.	Duty to Cooperate.....	17
18	E.	Stay of Further Proceedings:.....	17
19	VII.	SETTLEMENT ADMINISTRATION.....	18
20	VIII.	CONTINUING JURISDICTION OF THE COURT.....	18
21	IX.	WAIVER OF RIGHT TO APPEAL.....	18
22	X.	ADDITIONAL PROVISIONS.....	19
23	A.	No Admission of Liability or Representative Manageability for Other Purposes.....	19
24	B.	Integrated Agreement.....	20
25	C.	Attorney Authorization.....	21
26	D.	Cooperation.....	21
27	E.	No Prior Assignments.....	21
28	F.	No Tax Advice.....	21
	G.	Modification of Agreement.....	21
	H.	Agreement Binding on Successors.....	21
	I.	Applicable Law.....	22
	J.	Cooperation in Drafting.....	22
	K.	Confidentiality.....	22

L.	Use and Return of PAGA Group Member Data	22
M.	Headings	22
N.	Calendar Days	23
O.	Notice	23
P.	Execution in Counterparts	23

1 This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Maria Del
2 Mar Lopez (“Plaintiff”) and Cosmetic Industries, Inc. (“Defendant” or “Cosmetic”). The Agreement
3 refers to Plaintiff and Defendant as Parties or individually as a Party.

4 **I. DEFINITIONS**

5 **A. Action**

6 Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Maria*
7 *Del Mar Lopez Palacios v. Cosmetic Industries, Inc.*, Case No. CIVSB2226929 pending in the Superior
8 Court of the State of California, County of San Bernardino filed on November 29, 2022.

9 **B. Administrator**

10 Phoenix Settlement Administrators (“Phoenix”), the neutral entity the Parties have agreed to
11 appoint to administer the Settlement.

12 **C. Administration Expenses Payment**

13 An amount not to exceed \$2,995, which the Administrator will be paid from the Gross Settlement
14 Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s not to
15 exceed bid.

16 **D. Court**

17 The Superior Court of California, County of San Bernardino.

18 **E. Defendant**

19 Defendant Cosmetic Industries, Inc.

20 **F. Defense Counsel**

21 Peter R. Dion-Kindem of Peter R. Dion-Kindem, P.C.

22 **G. Effective Date**

23 The first date on which all the following events have occurred:

- 24 1. Entry by the Court of the Final Order and Judgment consistent with the terms of the
25 Agreement, including appointment of the Settlement Administrator;
- 26 2. Submission by PAGA Counsel of both this Agreement and the Final Order and Judgment
27 to the Labor and Workforce Development Agency in accordance with California Labor
28 Code section 2699(l) as stated prior to the 2024 amendment of the PAGA; and

1 3. The occurrence of the Effective Date of the Judgment, which shall be deemed to be the last
2 to occur of the following:

3 a. If an appeal or other review is sought from the Final Order and Judgment, the next
4 day after the Final Order and Judgment is affirmed or the appeal or other review
5 is dismissed or denied and the Judgment is no longer subject to judicial review or
6 other challenge; or

7 b. If an appeal or other review is not sought from the Final Order and Judgment, the
8 sixty-fifth (65th) calendar day after the Final Order and Judgment is signed and
9 entered by the Court.

10 **H. Final Order and Judgment**

11 The proposed Order and Judgment approving the PAGA Settlement by the Court.

12 **I. Gross Settlement Amount**

13 The amount of \$105,000.00, which is the total amount Defendant agrees to pay under the
14 Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments to the PAGA
15 Group, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses
16 Payment, the Administrator's Expenses Payment, and the Plaintiff's Individual Payment.

17 **J. Individual PAGA Payments to the PAGA Group**

18 The PAGA Group Member's pro rata share of 25% of the PAGA Penalties calculated on a pro
19 rata basis by reference to the total number of pay periods each PAGA Aggrieved Employee worked
20 during the PAGA Period compared against the overall number of pay periods worked by all PAGA
21 Aggrieved Employees during the PAGA Period.

22 **K. LWDA**

23 The California Labor and Workforce Development Agency.

24 **L. LWDA PAGA Payment**

25 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(i) as stated prior
26 to the 2024 amendment of the PAGA.

1 **M. Net Settlement Amount / PAGA Penalties**

2 The Gross Settlement Amount, less the following payments in the amounts approved by the
3 Court: Plaintiff's Individual Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation
4 Expenses Payment, and the Administration Expenses Payment.

5 **N. PAGA**

6 The Private Attorneys General Act (Lab. Code, § 2698. *et seq.*).

7 **O. PAGA Counsel**

8 Scott Ernest Wheeler and Justin Wheeler of The Wheeler Law Firm, APC, the attorneys
9 representing the Plaintiff in the Action.

10 **P. PAGA Counsel Attorney's Fees Payment and PAGA Counsel Litigation Expenses
 Payment**

11 Up to one-third of the Gross Settlement Amount to PAGA Counsel for reasonable attorneys' fees
12 and up to \$10,000 in reasonable expenses, respectively, incurred to prosecute the Action.

13 **Q. PAGA Group Member**

14 Any person who was or is a non-exempt employee of Defendant and any person provided to
15 Defendant by BaronHR West, Inc. to work for Defendant in California during the PAGA Period.

16 **R. PAGA Group Member Address Search**

17 The Administrator's investigation and search for current PAGA Group Member mailing
18 addresses using all reasonably available sources, methods and means including, but not limited to, the
19 National Change of Address database, skip traces, and direct contact by the Administrator with PAGA
20 Group Members.

21 **S. PAGA Group Member Data**

22 PAGA Group Member identifying information in Defendant's possession including the PAGA
23 Group Member's name, last-known mailing address, Social Security or Tax ID number, and the number
24 of PAGA Pay Periods worked during the PAGA Period.

25 **T. PAGA Notice**

26 Plaintiff's June 13, 2022 letter to Cosmetic Industries, Inc., BaronHr West, Inc., and the LWDA
27 providing notice pursuant to Labor Code section 2699.3, subdivision (a).
28

1 **U. PAGA Period**

2 The period from June 13, 2021 through the date this settlement is approved by the Court.

3 **V. PAGA Pay Period**

4 Any pay period during which a PAGA Group Member worked for Defendant for at least one day
5 during the PAGA period.

6 **W. PAGA Penalties**

7 The total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated
8 25% to the PAGA Group Members and 75% to LWDA in settlement of the PAGA claims.

9 **X. Plaintiff**

10 Maria Del mar Lopez Palacios, the named plaintiff in the Action.

11 **Y. Plaintiff Individual Payment**

12 The payment of \$7,000.00 paid from the Gross Settlement to Plaintiff in return for Plaintiff's
13 general release as set forth in this Agreement.

14 **Z. Released PAGA Claims**

15 The claims being released by the Plaintiff and PAGA Counsel as described in Paragraph V below.

16 **AA. Released Parties**

17 Cosmetic Industries, Inc. and BaronHR West, Inc. and each of their owners, agents, attorneys,
18 insurers, past, present, and DBAs (if any), predecessors, successors, shareholders, officers, directors,
19 managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees,
20 executors, partners, parents, subsidiaries ("Releasees").

21 **BB. Settlement**

22 The disposition of the Action effected by this Agreement and the Final Order and Judgment.

23 **II. RECITALS**

24 A. On June 13, 2022, pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff served
25 Cosmetic Industries, Inc., BaronHr West, Inc., and the LWDA with the PAGA Notice.

26 B. On November 29, 2022, Plaintiff commenced the Action by filing a Complaint against
27 Defendant and BaronHR West, Inc., among others, alleging causes of action against Defendant for
28 violation of the PAGA. The Complaint alleges labor code violations including, but not limited to, (1)
failure to provide required meal periods, (2) failure to provide required rest breaks, (3) failure to pay

1 overtime wages, (4) failure to pay minimum wages, (5) failure to pay all wages due to discharged and
2 quitting employees, (6) failure to furnish accurate itemized wage statements, (7) failure to maintain
3 required records, (8) failure to pay COVID-19 supplemental sick leave, (9) failure to provide suitable
4 seating, and (10) failure to indemnify employees for necessary expenditures.

5 C. Defendant denies the allegations in the PAGA Notice and the Complaint and denies any
6 failure to comply with the laws identified in the Notice and Complaint and denies all liability for the
7 causes of action alleged.

8 D. The Parties scheduled a mediation with Michael Mandel on February 27, 2025, but were
9 able to resolve this matter informally. Prior to the mediation, Plaintiff obtained through formal and
10 informal discovery and conversations with opposing counsel data and documents from Defendant
11 relating to its policies, procedures, records, and data regarding the PAGA Members, which led the Parties
12 to resolve the matter without the need of a mediator.

13 **III. MONETARY TERMS**

14 **A. Gross Settlement Amount**

15 Defendant promises to pay \$105,000.00 as the Gross Settlement Amount. Defendant has no
16 obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph IV(C) of this
17 Agreement.

18 The Administrator will disburse the entire Gross Settlement Amount without asking or requiring
19 PAGA Group Members to submit any claim as a condition of payment. None of the Gross Settlement
20 Amount will revert to Defendant.

21 **B. Payments from the Gross Settlement Amount**

22 The Administrator will make and deduct the following payments from the Gross Settlement
23 Amount in the amounts specified by the Court in the Final Approval:

24 **1. To Plaintiff**

25 Plaintiff has individual claims against Defendant. In consideration of Plaintiff's general release,
26 the Parties agree that \$7,000.00 of the Gross Settlement Payment shall be paid to Plaintiff (in addition to
27 any Individual PAGA Payment the Plaintiff is entitled to receive). The Administrator will send Plaintiff
28 an IRS 1099 Form for this payment. Plaintiff assumes full responsibility and liability for taxes owed on

1 this payment, and Defendant shall have no responsibility or liability for any taxes owed because of any
2 payments made pursuant to this Agreement. If the Court approves an Individual Payment to Plaintiff less
3 than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

4 **2. To PAGA Counsel**

5 A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount in
6 the amount of \$35,000.00 and PAGA Counsel Litigation Expenses Payment for expenses documented
7 by PAGA Counsel up to \$10,000.00. Defendant will not oppose a request for Court approval of such
8 payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an
9 application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment.

10 If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation
11 Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the
12 Net Settlement Amount.

13 Except for the PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses
14 Payment that are paid out of the Gross Settlement which are approved by the Court, the Released Parties
15 shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any
16 portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment.

17 The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses
18 Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for
19 taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment,
20 and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding
21 any division or sharing of any of these and shall have no responsibility or liability for any taxes owed
22 because of any payments made pursuant to this Agreement.

23 The PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall be all
24 Plaintiff and PAGA Counsel shall recover against Defendant in connection with this Action.

1 **3. To the Administrator**

2 An Administrator Expenses Payment not to exceed \$2,995 and as approved by the Court shall be
3 paid to Phoenix from the Gross Settlement Amount. If the approved Administration Expenses are less
4 than \$2,995, the Administrator will retain the remainder in the Net Settlement Amount.

5 **C. Payments from the Net Settlement Amount**

6 To the LWDA 75% of the PAGA Penalties to be paid to the LWDA as the LWDA PAGA
7 Payment. To the PAGA Group Members 25% of the PAGA Penalties to be paid to the PAGA Group
8 Members. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount
9 of the PAGA Group Members' 25% share of the PAGA Penalties by the total number of PAGA Period
10 Pay Periods worked by all the PAGA Group Members during the PAGA Period and (b) multiplying the
11 result of each PAGA Group Member's individual PAGA Period Pay Periods.

12 PAGA Group Members assume full responsibility and liability for any taxes owed on their
13 Individual PAGA Payment and Defendant shall have no responsibility or liability for any taxes owed
14 because of any payments made pursuant to this Agreement. The Administrator will report the Individual
15 PAGA Payments on IRS 1099 Forms.

16 **IV. SETTLEMENT FUNDING AND PAYMENTS**

17 **A. PAGA Group Member Data**

18 Within 28 days of the Court's approval of the Settlement, Defendant will deliver the PAGA
19 Group Member Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect PAGA
20 Group Members' privacy rights, the Administrator must maintain the PAGA Group Member Data in
21 confidence, use the PAGA Group Member Data only for purposes of this Settlement and for no other
22 purpose, and restrict access to the PAGA Group Member Data to Administrator employees who need
23 access to the PAGA Group Member Data to effect and perform under this Agreement.

24 Without any extension of the deadline by which Defendant must send the PAGA Group Member
25 Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith,
26 to reconstruct or otherwise resolve any issues related to missing or omitted PAGA Group Member Data.
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1 If Defendant has a mailing address and Social Security number for a PAGA Group Member
2 sufficient to allow the Administrator to issue the individual their Individual PAGA Payment, then the
3 Administrator will mail the PAGA Group Member their Individual PAGA Payment.

4 **B. Funding of Gross Settlement Amount**

5 Defendant shall fund the Gross Settlement Amount within 30 days after the Effective Date.

6 **C. Payments from the Gross Settlement Amount**

7 Within seven days after Defendant funds the Gross Settlement Amount, the Administrator will
8 mail checks (or wire if requested by PAGA Counsel for the PAGA Counsel Attorney's Fees and
9 Expenses Payments) for: all Individual PAGA Payments, the LWDA PAGA Payment, the
10 Administration Expenses Payment, the PAGA Counsel Attorney's Fees and Expenses Payments, and
11 Plaintiff's Individual Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment and
12 PAGA Counsel Fees Payment shall not precede disbursement of Individual PAGA Payments.

13 The Administrator will issue checks for the Individual PAGA Payments and send them to the
14 PAGA Group Members via First Class U.S. Mail, postage prepaid. The face of each check shall
15 prominently state the date (not less than 180 days after the date of mailing) when the check will be
16 voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks,
17 the Settlement Administrator must update the recipients' mailing addresses using the National Change
18 of Address Database. The Administrator must conduct a PAGA Group Member Address Search for all
19 PAGA Group Members whose checks are returned undelivered without USPS forwarding address.

20 Within seven days of receiving a returned check, the Administrator must re-mail checks to the
21 USPS forwarding address provided or to an address ascertained through the PAGA Group Member
22 Address Search. The Administrator need not take further steps to deliver checks to PAGA Group
23 Members whose re-mailed checks are returned as undelivered.

24 The Administrator shall promptly send a replacement check to any PAGA Group Member whose
25 original check was lost or misplaced, requested by the PAGA Group Member prior to the void date. For
26 any PAGA Group Member whose Individual PAGA Payment check is uncashed and cancelled after the
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1 void date, the Administrator shall transmit the funds represented by such checks to the California
2 Controller's Unclaimed Property Fund in the name of the PAGA Group Member.

3 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional
4 benefits or make any additional payments to the PAGA Group Members (such as 401(k) contributions
5 or bonuses) beyond those specified in this Agreement.

6 **V. RELEASES OF CLAIMS**

7 Effective on the date when Defendant fully funds the entire Gross Settlement Amount, the
8 following claims shall be deemed released against all Released Parties as follows:

9 **A. Plaintiff's Release**

10 Subject to the terms and conditions of this Agreement, Plaintiff, on behalf of Plaintiff and
11 Plaintiff's executors, legatees, devisees, administrators, subcontractors, employees, successors and
12 assigns, specifically releases any and all past, present and future claims, demands, actions, suits, causes
13 of action, obligations, damages, rights or liabilities, of any nature, kind or description whatsoever,
14 regardless of the legal or equitable theory, that Plaintiff has or may have against any of the Releasees
15 which arise or arose at any point from the beginning of time through, up to, and including the date
16 Plaintiff executes this Agreement, including without limitation all assigned and derivative claims,
17 whether known or unknown, asserted or unasserted, foreseen or unforeseen, contingent or absolute,
18 suspected or unsuspected, disclosed or undisclosed, apparent or unapparent, pursuant to any theory of
19 recovery, including whether based in tort, contract, statute, common law, public policy, or other legal
20 theory, and including unknown claims covered by California Civil Code Section 1542 and/or any other
21 applicable state or local law equivalents. Plaintiff's released claims include, but are not limited to, any
22 claims against Defendant or any of the other Releasees arising directly or indirectly, out of, relating to,
23 or in any way connected to any alleged act, omission, misconduct, misrepresentation, transmission,
24 violation, breach, breach of contract, or occurrence by, Defendant or any of the Releasees. The claims
25 released by Plaintiff include, but are not limited to, claims under the Fair Labor Standards Act, 29 U.S.C.
26 §§ 201, *et seq.*; claims relating to any screening conducted by Defendant or any other Releasees
27 pertaining to background screening, including under the Fair Credit Reporting Act, 15 U.S.C. §§ 1681,
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1 *et seq.*, and any state analogues; any express or implied agreements between Plaintiff and any Releasees;
2 claims under any law pertaining to employment, wrongful termination, wage statement and
3 recordkeeping violations, or any other perquisites of employment; claims under any other federal, state,
4 county, city, or local law, ordinance, rule, or regulation regarding employment, wages or compensation
5 (and all of their implementing regulations and interpretive guidelines), including but not limited to (i)
6 any claims under the National Labor Relations Act; (ii) any claims for employee benefits under any state
7 or federal law, including without limitation; (iii) any claims under the Employee Retirement Income
8 Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; (iv) any claims under the PAGA; (v) any claims under
9 the California Business and Professions, Civil, Government and/or Labor Code; (vi) any claims under
10 any applicable California Industrial Welfare Commission Wage Orders, all as amended; and (vii) any
11 claims on the basis of discrimination, harassment or retaliation under any state, federal, or local law,
12 including without limitation, (a) Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000 *et seq.*, (b)
13 the Civil Rights Act of 1866, 42 U.S.C. § 1981, (c) the Civil Rights Act of 1991, (d) the Americans with
14 Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, (e) the Family and Medical Leave Act of 1993, (f) the
15 California Fair Employment and Housing Act, (g) the California Family Rights Act, (h) the Americans
16 with Disabilities Act, and (i) any other federal, state or local ordinances, all as amended. The claims
17 released by Plaintiff further includes, but is not limited to, any claims and causes of action of whatever
18 kind or character, in tort or contract, statutory or otherwise, for legal or equitable relief, any other claims
19 for any form of damages or relief, including liquidated damages, and claims for restitution, statutory or
20 other penalties, punitive damages, equitable relief, litigation costs, interest, attorneys' fees, or any other
21 form of relief. However, this release shall not apply to claims for workers' compensation benefits,
22 unemployment insurance benefits, pension or retirement benefits or any other claim or right that as a
23 matter of law cannot be waived or released.

24 Plaintiff and Plaintiff's attorneys specifically waiver any claim for sanctions awarded by the
25 Court against Defendant or its attorneys in the Action.

26 Plaintiff shall be deemed to have, and by operation of the Court's Approval Order and Judgment
27 shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights,
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1 and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal
2 or state law that purports to limit the scope of a general release. Plaintiff has read Section 1542 of the
3 Civil Code of the State of California, which provides as follows:

4 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
5 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
6 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF
7 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
8 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

9 Plaintiff understands that Section 1542 gives Plaintiff the right not to release existing claims of
10 which Plaintiff is not now aware unless Plaintiff voluntarily chooses to waive this right. Having been so
11 apprised, Plaintiff nevertheless voluntarily waives the rights described in Section 1542 and elects to
12 assume all risks for claims that now exist in Plaintiff's favor, known or unknown.

13 **B. Release by the State of California and PAGA Group Members**

14 Subject to the terms and conditions of this Agreement, upon approval of the Settlement by the
15 Court and the occurrence of the Effective Date, Plaintiff and the State of California will be deemed to
16 have released Releasees from all claims as pled in the PAGA letter and Complaint and any further
17 amended pleadings as necessary for the violation of any provision of the California Labor Code or
18 applicable Wage Order, for civil penalties only, based on the allegations in the PAGA letter dated June
19 13, 2022, or Complaint as well as any and all PAGA claims that were asserted or could have been asserted
20 based on the factual allegations contained in the PAGA letter or Complaint through the PAGA Period.
21 This release includes all PAGA claims based on alleged meal period violations, rest period violations,
22 overtime violations, failure to pay minimum wages, violations of section 201, 202, and 203, wage
23 statement violations, including section 248.2, failure to timely pay wages, failure to maintain required
24 records, failure to pay COVID-19 supplemental sick leave, failure to provide suitable seating, section
25 2802 violations, including without limitation any claim for civil penalties under Labor Code section
26 2698, *et seq.*, Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 246, 248.1,
27 248.2, 248.6, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1998.5, 1199, 2800,
28 2802, 2810.5, and all applicable IWC Wage Orders. This release of PAGA claims also releases all PAGA

1 claims asserted by Miriam Marroquin in the action filed in the Superior Court for the County of San
2 Bernardino entitled *Marroquin v. Cosmetic Industries, Inc.*, Case No. CIVSB2322640.

3 There shall be no right to opt out of the settlement and the judgment on this settlement will have
4 *res judicata* effect for all PAGA Group Members. Moreover, this Agreement shall be effective to
5 adjudicate and release the claims and/or rights of the LWDA to recover civil penalties against the
6 Releasees for Labor Code or Wage Order violations suffered by any of the PAGA Group Members which
7 are premised upon the facts and allegations in the PAGA letter and Complaint, as well as any and all
8 claims for civil penalties that were asserted or could have been asserted based on the factual allegations
9 contained in the PAGA letter and Complaint (*i.e.*, the Judgment on this Settlement will have *res judicata*
10 effect as to those claims of the LWDA, whether pursued directly by the LWDA or by a representative
11 pursuant to PAGA).

12 **VI. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT**

13 The Parties agree to jointly apply for approval of this Settlement by the Court.

14 **A. Parties to Seek Approval from the Court.**

15 The Parties will prepare a motion seeking approval from the Court of this Agreement in
16 accordance with this Agreement. Nothing in the Court's Order shall suggest or indicate that Defendant
17 violated any provision of California law, including the Labor Code, but such Order shall indicate that the
18 terms set out in this Agreement are fair, reasonable, and adequate and in the best interests of the Parties
19 and all PAGA Group Members and that the Agreement is a reasonable compromise of disputed
20 allegations.

21 **B. Plaintiff's and PAGA Counsels' Responsibilities**

22 PAGA Counsel will prepare and deliver to Defense Counsel all documents necessary for
23 obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a
24 draft proposed Award Order Granting Approval of PAGA Settlement; (ii) a signed declaration from
25 PAGA Counsel attesting to the timely transmission to the LWDA of all necessary PAGA documents
26 (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code,
27
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§2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2)); and (iii) all facts relevant to any actual or potential conflict of interest with PAGA Group Members and/or the Administrator.

C. Responsibilities of PAGA Counsel and Defense Counsel

PAGA Counsel and Defense Counsel are jointly responsible for expeditiously applying for an Order approving this Settlement and, if necessary, obtaining a prompt hearing date and appearing before the Court to advocate in favor of the application.

D. Duty to Cooperate

If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone and in good faith to resolve the disagreement.

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

E. Stay of Further Proceedings:

To effectuate the terms of the Settlement, the Parties agree all formal and informal discovery and other proceedings shall be stayed pending Court approval of the Settlement. The Parties also agree to notify the Court of the Settlement through a Notice of Proposed PAGA Settlement and to request that all current court deadlines be continued pending approval of the Settlement. Plaintiff's counsel further agrees not to initiate any written or oral communication with any PAGA Group Member other than Plaintiff, except as necessary to effectuate the approval of the Settlement. The Parties further agree that upon the signing of this Agreement and pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

1 **VII. SETTLEMENT ADMINISTRATION**

2 The Parties have jointly selected Phoenix to serve as the Administrator and have verified that, as
3 a condition of appointment, it agrees to be bound by this Agreement and to perform, as a fiduciary, all
4 duties specified in this Agreement in exchange for payment of Administration Expenses.

5 The Parties and their Counsel represent that they have no interest or relationship, financial or
6 otherwise, with the Administrator other than a professional relationship arising out of prior experiences
7 administering settlements.

8 The Administrator shall have and use its own Employer Identification Number for purposes of
9 providing reports to state and federal tax authorities.

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

12 The Administrator has a duty to perform or observe all tasks to be performed or observed by the
13 Administrator contained in this Agreement or otherwise.

14 **VIII. CONTINUING JURISDICTION OF THE COURT**

15 The Parties agree that after the Court issues its Order approving this Settlement, the Court will
16 retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this
17 Agreement, (ii) addressing settlement administration matters and (iii) addressing such post-approval
18 matters as are permitted by law.

19 **IX. WAIVER OF RIGHT TO APPEAL**

20 Provided the Court's Order is consistent with its terms and conditions, specifically including the
21 PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their
22 respective counsel waive all rights to appeal from any Court order approving the Settlement, including
23 all rights to post-approval and appellate proceedings, the right to file motions to vacate approval, motions
24 for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the
25 right to oppose such motions, writs, or appeals.
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1 If another party appeals the Order, the Parties' obligations to perform under this Agreement will
2 be suspended until such time as the appeal is finally resolved and the Order becomes final, except as to
3 matters that do not affect the amount of the Net Settlement Amount.

4 **X. ADDITIONAL PROVISIONS**

5 **A. No Admission of Liability or Representative Manageability for Other Purposes**

6 This Agreement represents a compromise and settlement of highly disputed claims. Nothing in
7 this Agreement shall be construed to be an admission by Plaintiff that Plaintiff's claims do not have merit
8 or by Released Parties of any liability or wrongdoing as to Plaintiff, any PAGA Group Member, or any
9 other person and Released Parties specifically disclaim any such liability or wrongdoing. Defendant
10 contends that all PAGA Group Members were compensated in compliance with the law and that
11 Defendant's conduct was not willful with respect to any alleged failure to pay any wages or penalties.
12 Defendant has denied, and continues to deny, each of the claims and contentions alleged in the Action.
13 Defendant has asserted and continues to assert defenses thereto and has expressly denied and continues
14 to deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Action.
15 The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and
16 litigation with the attendant inconvenience, expenses, and risks. Neither this Agreement nor any action
17 taken to carry out the terms of this Agreement shall ever be construed as, offered, admitted, received, or
18 deemed to be evidence in any civil, criminal, administrative, or other proceeding against Defendant or
19 any of the other Released Parties, or may be used as an admission, concession, or indication by or against
20 Defendant or any of the other Released Parties of any fault, wrongdoing, or liability whatsoever.

21 Nothing in this Settlement Agreement, nor any action taken in implementation thereof, nor any
22 statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used
23 during the course of the negotiations leading to this Agreement, is intended by the Parties to constitute,
24 nor will any of the foregoing constitute, be introduced, be used, or be admissible in any way in the Action
25 or any other judicial, arbitral, administrative, investigative, or other forum or proceeding, is evidence of
26 any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order, or
27 any obligation or duty at law or in equity, by Defendant or any other Released Party. The Parties
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1 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any
2 other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence
3 of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order,
4 or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing,
5 this Agreement may be used in any proceeding before any court that has as its purpose the interpretation,
6 implementation, or enforcement of this Agreement or any orders of the Court entered in connection with
7 the Agreement.

8 None of the documents produced or created by Defendant or any other Released Party, Plaintiff,
9 or any PAGA Group Member in connection with the claims procedures or claims resolution procedures
10 constitute, and they are not intended to constitute, an admission by Defendant or any other Released
11 Party of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive
12 order, or any obligation or duty at law or in equity, nor may they be introduced or otherwise used in any
13 other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported evidence
14 of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, or executive order,
15 or any obligation or duty at law or in equity, or for any other purpose.

16 The Parties agree that representative treatment is for purposes of this Settlement only.

17 If for any reason the Court does not approve this Settlement, Defendant reserves all available
18 defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The
19 Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and
20 will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate
21 the Settlement and this Agreement).

22 **B. Integrated Agreement**

23 Upon execution by all Parties and their counsel, this Agreement together with any attached
24 exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding
25 all oral representations, warranties, covenants or inducements made to or by any Party.
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1 **C. Attorney Authorization**

2 PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized
3 by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken
4 by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents
5 reasonably required to effectuate the terms of this Agreement including any amendments to this
6 Agreement.

7 **D. Cooperation**

8 The Parties and their counsel will cooperate with each other and use their best efforts in good
9 faith to implement the Settlement by, among other things, modifying the Settlement Agreement and
10 submitting supplemental evidence and supplementing points and authorities as requested by the Court.
11 If the Parties are unable to agree upon the form or content of any document necessary to implement the
12 Settlement or on any modification of the Agreement that may become necessary to implement the
13 Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

14 **E. No Prior Assignments**

15 The Parties separately represent and warrant that they have not directly or indirectly assigned,
16 transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion
17 of any liability, claim, demand, action, cause of action or right released and discharged by the Party in
18 this Settlement.

19 **F. No Tax Advice**

20 Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice
21 regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the
22 meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

23 **G. Modification of Agreement**

24 This Agreement and all parts of it may be amended, modified, changed or waived only by an
25 express written instrument signed by all Parties or their representatives and approved by the Court.

26 **H. Agreement Binding on Successors**

27 This Agreement will be binding upon, and inure to the benefit of, the successors of each of the
28 Parties.

1 **I. Applicable Law**

2 All terms and conditions of this Agreement and any of its exhibits will be governed by and
3 interpreted according to the internal laws of the State of California, without regard to conflict of law
4 principles.

5 **J. Cooperation in Drafting**

6 The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement
7 will not be construed against any Party on the basis that the Party was the drafter or participated in the
8 drafting.

9 **K. Confidentiality**

10 To the extent permitted by law, all agreements made and orders entered during the Action and in
11 this Agreement relating to the confidentiality of information shall survive the execution of this
12 Agreement.

13 **L. Use and Return of PAGA Group Member Data**

14 Information provided to PAGA Counsel pursuant to Evidence Code section 1152 and all copies
15 and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the
16 mediation, other settlement negotiations, or in connection with the Settlement, may be used only with
17 respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing
18 contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the
19 Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff and PAGA Counsel
20 shall destroy all paper and electronic versions of PAGA Group Member Data received from Defendant
21 unless, prior to the Administrator's payment of all Settlement funds, Defendant makes a written request
22 to PAGA Counsel for the return, rather than the destruction, of PAGA Group Member Data.

23 **M. Headings**

24 The descriptive heading of any section or paragraph of this Agreement is inserted for convenience
25 of reference only and does not constitute a part of this Agreement.
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N. Calendar Days

Unless otherwise noted, all reference to days in this Agreement shall be to calendar days. If 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.

O. Notice

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

To Plaintiff:

The Wheeler Law Firm, APC
Scott Ernest Wheeler
Justin A. Wheeler
250 West First Street, Suite 216
Claremont, CA 91711
Telephone: (909) 621-4988
Fax: (909) 621-4622
Email: sew@scottwheelerlawoffice.com
jaw@scottwheelerlawoffice.com

To Defendant:

Peter R. Dion-Kindem
The Dion-Kindem Law Firm
Peter R. Dion-Kindem, P. C.
3856 Davids Road, Agoura Hills, CA 91301
Telephone: (818) 883-4900
Email: peter@dionkindemlaw.com

P. Execution in Counterparts

This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., 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

Signatures on following page

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Dated:

2/13/2025



Maria Del Mar Lopez Palacios

Dated: _____

Cosmetic Industries, Inc., by

Its _____

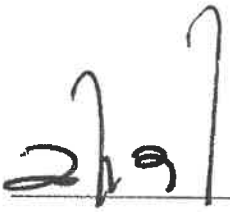
Approved as to Form and not as Parties to the Agreement:

Dated: _____, 2025

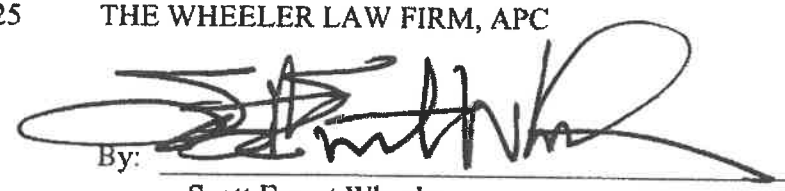
THE DION-KINDEM LAW FIRM

By: _____

Peter R. Dion-Kindem, P.C.
Peter R. Dion-Kindem
Attorneys for Cosmetic Industries, Inc.

Dated: , 2025

THE WHEELER LAW FIRM, APC

By: 

Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff

1 Dated: _____
2

3 Maria Del Mar Lopez Palacios

4 Dated: 2/24/25
5



6 Cosmetic Industries, Inc., by

7 Edward Pelenghian

8 Its President
9

10 **Approved as to Form and not as Parties to the Agreement:**

11 Dated: February 14, 2025 THE DION-KINDEM LAW FIRM
12

13 By: Peter R. Dion-Kindem

14 Peter R. Dion-Kindem, P.C.

15 Peter R. Dion-Kindem

16 Attorneys for Cosmetic Industries, Inc.

17 Dated: _____, 2025 THE WHEELER LAW FIRM, APC
18

19 By: _____

20 Scott Ernest Wheeler

21 Justin A. Wheeler

22 Attorneys for Plaintiff
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