

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Settlement”) is made and entered into between PHAT HUYNH (acting in a private attorney general capacity) (“Plaintiff” or “Huynh”) and ROCKMAN CO. (U.S.A.) INC., YIN KEUNG TIN, PUI LUN CHAN, KENNETH PHILLIP CHAN, and DINH GIA CHAN (collectively, “Defendants”).

### **I. DEFINITIONS**

The following terms, when used in this Settlement, shall have the following meanings:

1. “Alleged Aggrieved Employees” consists of all non-exempt hourly paid individuals who are or were employed by Defendants and who worked one or more shifts during the PAGA Period from October 24, 2021 through the date the Court approves the PAGA Settlement. The number of Alleged Aggrieved Employees, including Huynh, is estimated to be 34 individuals and the number of pay periods from October 24, 2021 to the time of settlement is estimated to be 900.

2. “Court” means the Superior Court of California for the County of Los Angeles.

3. “Defendants” means, collectively, Defendants Rockman Co (U.S.A.) Inc., Yin Keung Tin, Pui Lun Chan, Kenneth Phillip Chan, and Dinh Gia Chan.

4. “Defendant Rockman” or “Rockman” means Defendant Rockman Co (U.S.A.) Inc.

5. “Defense Counsel” means Yvonne Arvanitis Fossati, Hazel U. Poei, and Martin P. Vigodnier of Jackson Lewis P.C.

6. “Effective Date” means the date when all of the following events have occurred: (1) this Settlement Agreement has been executed by all Parties, Huynh’s Counsel and Defense Counsel; (2) the Court has held a hearing regarding approval of the Settlement and enters Judgment on its Order approving the Settlement; and (c) the Judgment is final. The Judgment is final five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s Approval approving this Settlement Agreement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court’s Approval approving this Settlement Agreement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing this Settlement Agreement has been finally and conclusively dismissed with no right to pursue further remedies or relief.

7. “Huynh” or “Plaintiff” means Plaintiff Phat Huynh.

8. “Huynh’s Counsel” means Justin Lo of Work Lawyers, PC.

9. “Individual PAGA Payment” means the amount to be paid to each Alleged Aggrieved Employee based on the formula described herein.

10. “LWDA” means the California Labor and Workforce Development Agency.

11. “Maximum Settlement Amount” is the non-reversionary sum of \$30,000.00 which represents the total amount payable under this Settlement by Defendant Rockman, including, without limitation, payments to all Alleged Aggrieved Employees, payment to the LWDA, payment to the Settlement Administrator, and payment of Huynh’s attorneys’ fees and costs.

12. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Alleged Aggrieved Employees after the following amounts (if approved by the Court) are subtracted from the Maximum Settlement Amount: (a) Huynh’s attorneys’ fees up to 33.3% of the Maximum Settlement Amount, currently estimated at \$10,000.00; (b) the cost of a claims administrator, estimated to be \$4,000.00; (c) Reimbursements to Plaintiff for litigation costs of up to \$12,500.00; and (d) a service award to Huynh in an amount up to \$500.00.

13. “PAGA” means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

14. “PAGA Action” means the matter entitled *Phat Huynh v. Rockman Co (U.S.A.) Inc., et al.*, Los Angeles County Superior Court Case No. 23STCV00921, and as set forth in Huynh’s correspondence to the California Labor and Workforce Development Agency (“LWDA Letter”) dated October 24, 2022.

15. “PAGA Complaint” or “Complaint” means the Representative Action Complaint entitled *Phat Huynh v. Rockman Co (U.S.A.) Inc., et al.*, Los Angeles County Superior Court Case No. 23STCV00921, filed on October 24, 2022.

16. “PAGA Notice” means Plaintiff’s October 24, 2022 letter to the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

17. “PAGA Period” means the time period from October 24, 2021, through the date the Court approves the PAGA settlement.

18. “PAGA Released Claims” means any and all claims whether suspected or unsuspected, contingent or accrued, known or unknown, that have been pled or could have been pled under state, federal or local law, whether statutory, common law or administrative, arising out of or related to allegations set forth in Huynh’s PAGA Notice, Huynh’s Complaint, and the operative Complaint. These include claims for civil penalties under PAGA for Defendants’ alleged failure to pay for all time worked at correct rates of pay, including minimum wages, straight time wages, and overtime compensation; failure to provide meal periods and pay meal period premiums; failure to authorize and permit rest periods and pay rest period premiums; failure to timely wages during employment; failure to pay all wages due to discharged and quitting employees; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to reimburse necessary expenditures; failure to pay vacation time; violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; interest; fees, including fees under California Code of Civil Procedure § 1021.5; costs, and all other claims and allegations for civil penalties under PAGA made or which could have been made in the PAGA Action based on the facts and allegations pled in Huynh’s PAGA Notice, Huynh’s Complaint, and the operative Complaint. The claims released pursuant to the PAGA Released Claims shall be binding on the Alleged Aggrieved Employees and, to the maximum extent possible permitted by law, the State

of California and the LWDA. Alleged Aggrieved Employees shall have no right to object or opt out to the PAGA Released Claims or any portion of the Settlement pertaining to the PAGA Released Claims.

19. “Parties” means, collectively, Plaintiff Phat Huynh and Defendants Rockman, Yin Keung Tin, Pui Lun Chan, Kenneth Phillip Chan, and Dinh Gia Chan.

20. “Released Parties” means Defendants and their respective heirs, executors, administrators, successors, assignees, parents, subsidiaries and related entities, owners, officers, directors, shareholders, employees, agents, servants, representatives, independent contractors, members, attorneys, insurers, re-insurers, assigns, and affiliates, and any and all other entities with whom they have been, are now, or may hereafter be affiliated, and any of their affiliated companies, predecessors, successors and assigns, as well as their past or present officers, directors, agents, representatives, attorneys, insurers, re-insurers, assigns, or employees.

21. “Settlement” or “Agreement” means the settlement of the PAGA Action as memorialized in this Agreement.

## **II. RECITALS**

1. On October 24, 2022, Huynh provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in the PAGA Action.

2. On January 17, 2023, Huynh and his counsel filed the PAGA Complaint. In his PAGA Complaint, Huynh alleges one cause of action under PAGA for the following alleged violations under the California Labor Code: (1) failure to provide meal periods in violation of Labor Code section 512; (2) failure to provide rest periods in violation of Labor Code section 226.7; (3) failure to provide complete and accurate wage statements in violation of Labor Code section 226; (4) failure to pay overtime wages; (5) failure to pay minimum wages; (6) failure to timely pay wages during employment; (7) failure to pay all wages due to discharged and quitting employees; and (8) failure to reimburse business expenses in violation of Labor Code section 2802.

3. The Parties have conducted a thorough investigation into the facts of the PAGA Action. This includes exchanging extensive data and information as well as documents relating to the underlying alleged violations.

4. On July 17, 2023, the Parties participated in mediation with the Hon. Daniel Buckley (Ret.), a well-regarded mediator experienced in mediating complex labor and employment matters. With the assistance of Judge Buckley, the Parties agreed to fully and finally resolve and settle the PAGA Action.

## **III. TERMS OF THE SETTLEMENT AGREEMENT**

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement shall be construed to be an admission by Huynh that his claims do not have merit or by Defendants of any liability or wrongdoing as to Huynh, Alleged Aggrieved Employees or any other person, and Defendants specifically disclaim

any such liability or wrongdoing. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Funding of Maximum Settlement Amount.** Defendants shall pay \$30,000.00 as the non-reversionary Maximum Settlement Amount. Defendants will not pay more than the Maximum Settlement Amount. The Maximum Settlement Amount shall be deposited in an interest-bearing account set up by the Settlement Administrator and funded within sixty (60) days of the Effective Date.

3. **Pay Periods.** The Parties agree that if, as of the close of the PAGA Period, the total number of pay periods worked by Alleged Aggrieved Employees exceeds 10% of the estimated number of pay periods worked as of the date of the mediation (i.e., if there are 990 or more pay periods worked by the Alleged Aggrieved Employees during the PAGA Period), then either (a) the Maximum Settlement Amount will be increased by the same proportion above 10% using the Pay Period Value; or (b) Defendants, at their sole discretion, may elect to shorten the PAGA Period as of the date the total pay periods worked by Alleged Aggrieved Employees during the PAGA Period exceeds 10% of the estimated 900 pay periods worked by Alleged Aggrieved Employees during the PAGA Period. The Pay Period Value shall be calculated by dividing the Maximum Settlement Amount by the estimate of pay periods at issue, meaning that the Parties agree that the Pay Period Value shall be \$33.33. (\$30,000 / 900 pay periods.) Thus, for example, if the pay periods worked by Alleged Aggrieved Employees during the PAGA Period amount to 990 pay periods, Defendants may choose either that (i) the Maximum Settlement Amount to be paid will be increased by \$3,299.67 ((900 pay periods x .1) x \$33.33)); or (ii) the PAGA Period will end on the date on which 990 pay periods are reached.

4. **Huynh's Attorneys' Fees and Costs.** Defendants will not oppose Huynh's request for attorneys' fees in the amount up to one third of the Maximum Settlement Amount and costs incurred in prosecuting this PAGA Action, up to \$12,500.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount (although Huynh may appeal an order granting less than the full amount sought for attorneys' fees and costs). Defendant Rockman will report these payments on IRS Form 1099 issued to Huynh's Counsel.

5. **Allocation of Net Settlement Amount.** The Net Settlement Amount shall be designated as "2699 Civil Penalties" and shall be distributed 75% to the LWDA and 25% to Alleged Aggrieved Employees, pursuant to Lab. Code § 2699(i). The 25% portion to be paid to Alleged Aggrieved Employees shall be paid on a pro rata based on the number of pay periods worked by each Alleged Aggrieved Employee during the PAGA Period.

6. **Releases of Claims.** Effective upon entry of Judgment, the Court's Order granting Approval of this Settlement, and on the date when Defendant fully funds the entire Maximum Settlement Amount, Huynh, Alleged Aggrieved Employees, Huynh's Counsel, and, to the maximum extent possible permitted by law, the State of California and the LWDA will release claims against all Released Parties as follows:

a. **Release by Alleged Aggrieved Employees.** For the duration of the PAGA Period, all Alleged Aggrieved Employees, including Huynh, and, to the fullest extent permitted by law, the State of California and the LWDA, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all PAGA Released Claims and agree they are no longer eligible to assert any alleged “aggrieved” status during the PAGA Period. Alleged Aggrieved Employees shall have no right to object or opt out to the PAGA Released Claims or any portion of the Settlement pertaining to the PAGA Released Claims.

b. **Release by Huynh’s Counsel.** Huynh’s Counsel releases on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the PAGA Complaint and the PAGA Period facts stated in the PAGA Complaint and the PAGA Notice.

7. **Covenants and Representations by Huynh and Huynh’s Counsel.**

a. Huynh represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement.

b. Huynh acknowledges that he has read this Settlement, that he fully understands his rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily. Huynh further acknowledges that he had the opportunity to consult with his attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

8. **Confidentiality.** Except as provided below, and excepting to the extent necessary to effectuate the Settlement or as required by the Court, Huynh and Huynh’s Counsel will keep the terms of this Settlement confidential. Neither Huynh nor Huynh’s Counsel shall issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media or otherwise publicize the Settlement or communicate its terms in public or in private, unless ordered by the Court. If contacted by the media or third parties (except for Alleged Aggrieved Employees and the Settlement Administrator), Huynh and Huynh’s Counsel will only discuss information publicly available. Huynh’s Counsel will take all steps necessary to ensure Huynh is aware of, and will encourage him to adhere to, the restriction against initiating any media comment. Huynh’s Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes. However, for the limited purpose of establishing adequacy of counsel in future actions, Huynh’s Counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

To permit judicial review and approval of the PAGA Payment, as required by Labor Code § 2698, *et seq.*, Huynh’s Counsel will file the Settlement with the Court and submit the Settlement to the LWDA as part of the Parties’ request for Court approval of the Settlement, per Lab. Code § 2699(l)(2).

9. **Duty to Support and Defend the Settlement.** The Parties agree to abide by all of the terms of this Agreement in good faith and to support the Settlement fully and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

10. **Termination of Settlement.** If the Court does not approve the Settlement, if the Court does not enter judgment as provided for in this Settlement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement, in which case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

11. **Order.** As part of the Motion to approve the Settlement, Huynh shall submit a proposed order which approves the terms of the Settlement and retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement. This Settlement is expressly conditioned upon the Court entering the order as set forth herein.

12. **No Admission.** In entering into this Settlement, Defendants do not admit, and specifically deny, the allegations in the PAGA Action, that they violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law.

#### IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree that Phoenix Settlement Administrators will manage the administration of this Settlement ("Settlement Administrator").

2. **Provision of Information Regarding Alleged Aggrieved Employees.** Defendant Rockman will in good faith compile from its records a list of Alleged Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Alleged Aggrieved Employee's full name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment, total pay periods worked, and Social Security numbers. The list shall also include the sum total of all pay periods worked by Alleged Aggrieved Employees during the PAGA Period.

Within thirty (30) days of the Effective Date, Defendant Rockman will circulate the spreadsheet to the Settlement Administrator for purposes of calculating Individual PAGA Payments and mailing.

3. **Explanatory Letter and Individual PAGA Payments.** The Settlement Administrator will include copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, along with Individual PAGA Payments to all Alleged Aggrieved Employees via regular First-Class U.S. Mail. The explanatory letter and Individual PAGA Payments will be mailed to Alleged Aggrieved Employees by the Settlement Administrator as soon as practicable after the Effective Date and after receipt of a spreadsheet from Defendant Rockman with sufficient information to allow payments to be made.

The amount to be received by each Alleged Aggrieved Employee will be based on the formula set forth in Section III.5., *supra*. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties and reported using IRS Form 1099.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Alleged Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address or Social Security number of the Alleged Aggrieved Employee involved and will perform a single re-mailing.

Defendants fully discharge their obligations to those Alleged Aggrieved Employees to whom they will pay Individual PAGA Payments through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Alleged Aggrieved Employees. Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by checks remaining un-cashed for more than 180 days after issuance, will be tendered to the California Department of Industrial Relations – Unclaimed Wage Fund in the names of the Alleged Aggrieved Employees to whom the checks were issued.

5. **Payment of Remainder.** Within sixty (60) business days of the Effective Date, the Settlement Administrator will distribute the following additional payments: (1) the 75% share of 2699 Civil Penalties to the LWDA and (2) Court-approved attorneys' fees and costs to Huynh's Counsel.

6. **Accounting.** Within five (5) business days after mailing the Individual PAGA Payments and the additional payments to the LWDA and the Settlement Administrator, the Settlement Administrator will provide an accounting under oath to Huynh's Counsel and to Defense Counsel of the amounts paid from the Settlement.

7. **Tax Consequences and Circular 230 Disclaimer.** Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest and paid via IRS Form 1099 issued to each Alleged Aggrieved Employee. Neither Huynh nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement. Huynh and Alleged Aggrieved Employees are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Alleged Aggrieved Employees understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Huynh's Counsel and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR

ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

## **V. MISCELLANEOUS PROVISIONS**

1. **Drafting.** The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Huynh nor Defendants shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party.

2. **Successors.** This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Settlement and the PAGA Action, except as specifically set forth in Section V.15.

4. **Governing Law.** This Settlement shall be construed under and governed by the laws of the State of California. All questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation relating to the subject of this Settlement not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims. This Settlement cannot be amended or modified except by a writing signed by the Parties hereto.

6. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason,

then this Settlement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions. However, notwithstanding the foregoing, the Parties agree to cooperate in addressing any Court concerns regarding the Settlement, and if necessary, meet and confer with respect to any amendments to this Agreement or supplemental briefings to address Court concerns.

7. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

8. **Amendment or Modification.** This Settlement may be amended or modified only by a written instrument, signed by all Parties or their successors-in-interest or counsel for all Parties, and approved by the Court.

9. **Authorization to Enter into Settlement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

10. **Execution and Counterparts.** This Settlement is subject to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

13. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the

Parties, as determined from the face of the Settlement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver.** No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement 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 or to declare rights and/or obligations under this Settlement, 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.

16. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

17. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement, and this Settlement has been executed with the consent and advice of counsel and reviewed in full.

18. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement.

19. **Stay of Litigation.** The Parties agree that upon the execution of this Settlement the litigation shall be stayed, except to effectuate the terms of this Settlement. The Parties further agree that upon the signing of this Settlement that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

20. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

21. **No Prior Assignments.** The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

22. **No Third-Party Beneficiaries.** Huynh, Alleged Aggrieved Employees, the State of California and the LWDA, Huynh's Counsel, and Defendants are direct beneficiaries of this Agreement, and there are no third-party beneficiaries.

23. **Settlement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

24. **Use and Return of Data.** Information provided to Huynh's Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of data provided to Huynh's Counsel by Defendants in connection with the mediation, other settlement negotiations or in connection with the Settlement, may be used only with respect to this Settlement and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Huynh and Huynh's Counsel shall destroy, all paper and electronic versions of data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Huynh's Counsel for the return, rather than the destructions, of data.

25. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement may be used in any Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

**IN WITNESS THEREOF**, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: 10/31/2023

**PHAT HUYNH**

By:

  
Phat Huynh

Dated: \_\_\_\_\_

**ROCKMAN CO (U.S.A.) INC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**YIN KEUNG TIN**

Dated: \_\_\_\_\_

**PUI LUN CHAN**

Dated: \_\_\_\_\_

**KENNETH PHILLIP CHAN**

Dated: \_\_\_\_\_

**DING GIA CHAN**

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Dated: \_\_\_\_\_

**PHAT HUYNH**

By: \_\_\_\_\_  
Phat Huynh

Dated: \_\_\_\_\_

**ROCKMAN CO (U.S.A.) INC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**YIN KEUNG TIN**

\_\_\_\_\_

Dated: \_\_\_\_\_

**PUI LUN CHAN**

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Dated: \_\_\_\_\_

**KENNETH PHILLIP CHAN**

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Dated: \_\_\_\_\_

**DINH GIA CHAN**

  
\_\_\_\_\_

**IN WITNESS THEREOF**, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: \_\_\_\_\_

**PHAT HUYNH**

By: \_\_\_\_\_  
Phat Huynh

Dated: \_\_\_\_\_

**ROCKMAN CO (U.S.A.) INC**

\_\_\_\_\_  
By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**YIN KEUNG TIN**

\_\_\_\_\_

Dated: \_\_\_\_\_

**PUI LUN CHAN**

\_\_\_\_\_

\_\_\_\_\_

Dated: \_\_\_\_\_

**KENNETH PHILLIP CHAN**

  
\_\_\_\_\_

Dated: \_\_\_\_\_

**DING GIA CHAN**

\_\_\_\_\_

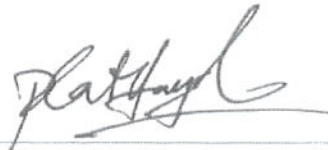
**IN WITNESS THEREOF**, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: 10/31/2023

**PHAT HUYNH**

By: \_\_\_\_\_

Phat Huynh



Dated: \_\_\_\_\_

**ROCKMAN CO (U.S.A.) INC**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**YIN KEUNG TIN**

Dated: \_\_\_\_\_

**PUI LUN CHAN**



Dated: \_\_\_\_\_

**KENNETH PHILLIP CHAN**

Dated: \_\_\_\_\_

**DING GIA CHAN**

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: \_\_\_\_\_

**PHAT HUYNH**

By: \_\_\_\_\_  
Phat Huynh

Dated: 10/30/2023

**ROCKMAN CO (U.S.A.) INC**

By: 

Its: CTO

Dated: 10/30/2023

**YIN KEUNG TIN**



Dated: \_\_\_\_\_

**PUI LUN CHAN**

\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_

**KENNETH PHILLIP CHAN**

\_\_\_\_\_

Dated: \_\_\_\_\_

**DINH GIA CHAN**

\_\_\_\_\_

## **COURT APPROVED NOTICE OF SETTLEMENT**

*Phat Huynh v. Rockman Co (U.S.A.) Inc., et al.*

Case No. 23STCV00921

*The Superior Court for the State of California authorized this Notice. Read it Carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

**You may be eligible to receive money** from an employee lawsuit ("Action") against Defendants Rockman Co (U.S.A.) Inc., Yin Keung Tin, Pui Lun Chan, Kenneth Phillip Chan, and Dinh Gia Chan (collectively, "Defendants"). The Action was filed by a former employee of Rockman Co (U.S.A.) Inc., Phat Huynh ("Plaintiff"), and alleges one cause of action under the California Private Attorneys General Act of 2004, California Labor Code §§ 2698 et seq. ("PAGA") for the following alleged violations under the California Labor Code: (1) failure to provide meal periods in violation of Labor Code section 512; (2) failure to provide rest breaks periods in violation of Labor Code section 226.7; (3) failure to provide complete and accurate wage statements in violation of Labor Code section 226; (4) failure to pay overtime wages; (5) failure to pay minimum wages; (6) failure to timely pay wages during employment; (7) failure to pay all wages due to discharged and quitting employees; and (8) failure to reimburse business expenses in violation of Labor Code section 2802. The group of allegedly aggrieved employees Plaintiff seeks to represent is comprised of all non-exempt hourly employees who worked for Defendants in California ("PAGA Members") during the PAGA Period (October 24, 2021 through the date the Court approves the PAGA Settlement). Defendants vigorously deny the claims in the Action and contends that at all times they fully complied with all applicable laws.

The proposed Settlement is comprised of a PAGA Settlement requiring Defendants to fund individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendant's records, and the Parties' current assumptions, **your Individual PAGA Payment is estimated to be \$\_\_\_\_\_**. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on Defendant Rockman Co. (U.S.A.) Inc.'s records showing that **you worked \_\_\_\_\_ pay periods** during the PAGA Period.

The Court has approved the proposed Settlement and approved this Notice Your legal rights are affected whether you act or not act. Read this notice carefully. You will be deemed to have carefully read and understood it. At the hearing, the Court will decide whether to approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("PAGA Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires PAGA Members to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the PAGA Period, you don't have to do anything to participate in the proposed Settlement and be eligible for an Individual PAGA Payment. You cannot opt-out of or object to the PAGA Settlement.

## **1. WHAT IS THE ACTION ABOUT?**

Plaintiff is a former employee of Defendant Rockman Co. (U.S.A.) Inc. Plaintiff alleges one cause of action under the California Private Attorneys General Act of 2004, California Labor Code §§ 2698 et seq. (“PAGA”) for the following alleged violations under the California Labor Code: (1) failure to provide meal periods in violation of Labor Code section 512; (2) failure to provide rest breaks periods in violation of Labor Code section 226.7; (3) failure to provide complete and accurate wage statements in violation of Labor Code section 226; (4) failure to pay overtime wages; (5) failure to pay minimum wages; (6) failure to timely pay wages during employment; (7) failure to pay all wages due to discharged and quitting employees; and (8) failure to reimburse business expenses in violation of Labor Code section 2802.. Plaintiff is represented by attorneys in the Action: Justin Lo from Work Lawyers, PC (“PAGA Counsel.”)

Defendants strongly deny violating any laws whatsoever or failing to pay any wages whatsoever, and contend that at all times it fully complied with all applicable laws.

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

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations whatsoever or concede the merit of any claims. Plaintiff and PAGA Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Approval.

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

1. Defendants Will Pay \$30,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual PAGA Payments, PAGA Representative Service Payment, PAGA Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants approval of the Settlement, Defendants will fund the Gross Settlement not more than 60 calendar days after the Judgment entered by the Court becomes final.

2. Court Approved Deductions from Gross Settlement. At the Approval Hearing, Plaintiff and/or PAGA Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Approval Hearing:
  - A. Up to \$10,000.00 (one-third (1/3) of the Gross Settlement) to PAGA Counsel for attorneys' fees and up to \$12,500.00 for their litigation expenses. To date, PAGA Counsel have worked and incurred expenses on the Action without payment.
  - B. Up to \$500.00 to Plaintiff as a Representative Award for filing the Action, working with PAGA Counsel and representing the PAGA Members.
  - C. \$4,000.00 to the Administrator for services administering the Settlement.
3. Net Settlement Distributed to PAGA Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual PAGA Payments to PAGA Members based on the number of pay periods they worked during the PAGA Period.
4. Taxes. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.
5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the California Department of Industrial Relations – Unclaimed Wage Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. No Right to Object or Opt-Out. Because this is a PAGA settlement, you cannot opt-out or object to any portion of the Settlement. You will remain eligible for Individual PAGA Payments and are required to give up right to assert PAGA claims against Defendants based on the facts alleged in the Action during the PAGA Period.
7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and PAGA Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrator (the "Administrator") to send this Notice, and to calculate and make

payments. The Administrator will also mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. PAGA Members' PAGA Release. Effective upon entry of Judgment, the Court's Order granting Approval of this Settlement, and on the date when Defendants fully funds the entire Maximum Settlement Amount, all PAGA Members will be barred from asserting PAGA claims against Defendants. This means that all PAGA Members cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities for the PAGA Released Claims.

All PAGA Members will be bound by the following release:

For the duration of the PAGA Period, all Alleged Aggrieved Employees and, to the fullest extent permitted by law, the State of California and the LWDA, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all PAGA Released Claims. "PAGA Released Claims" means any and all claims whether suspected or unsuspected, contingent or accrued, known or unknown, that have been pled or could have been pled under state, federal or local law, whether statutory, common law or administrative, arising out of or related to allegations set forth in Plaintiff's PAGA Notice, Plaintiff's Complaint, and the operative Complaint. These include claims for civil penalties under PAGA for Defendants' alleged failure to pay for all time worked at correct rates of pay, including minimum wages, straight time wages, and overtime compensation; failure to provide meal periods and pay meal period premiums; failure to authorize and permit rest periods and pay rest period premiums; failure to timely wages during employment; failure to pay all wages due to discharged and quitting employees; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to reimburse necessary expenditures; failure to pay vacation time; violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; interest; fees, including fees under California Code of Civil Procedure § 1021.5; costs, and all other claims and allegations for civil penalties under PAGA made or which could have been made in the PAGA Action based on the facts and allegations pled in Plaintiff's PAGA Notice, Plaintiff's Complaint, and the operative Complaint. The claims released pursuant to the PAGA Released Claims shall be binding on the Alleged Aggrieved Employees and, to the maximum extent possible permitted by law, the State of California and the LWDA. Alleged Aggrieved Employees shall have no right to object or opt out to the PAGA Released Claims or any portion of the Settlement pertaining to the PAGA Released Claims. "Released Parties" means Defendants and their respective heirs, executors, administrators, successors, assignees, parents, subsidiaries and related entities, owners, officers, directors, shareholders, employees, agents, servants, representatives, independent contractors, members, attorneys, insurers, re-insurers, assigns, and affiliates, and any and all other entities with whom they have been, are now, or may hereafter be affiliated, and any of their affiliated companies, predecessors, successors

and assigns, as well as their past or present officers, directors, agents, representatives, attorneys, insurers, re-insurers, assigns, or employees.

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

1. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$500 by the total number of pay periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by the number of pay periods worked by all PAGA Members worked by each individual PAGA Member.

#### **5. HOW WILL I GET PAID?**

1. The Administrator will send, by U.S. mail, a single check to every individual PAGA Member.
2. **Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.**

#### **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

##### PAGA Counsel:

Name of Attorney: Justin Lo

Email Address: [justin@caworklawyer.com](mailto:justin@caworklawyer.com)

Name of Firm: Work Lawyers, PC

Mailing Address: 22939 Hawthorne Blvd., #202, Torrance, CA 90505

Telephone: (424) 355-8535

##### Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

#### **6. WHAT IF I LOSE MY SETTLEMENT CHECK?**

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

## **7. WHAT IF I CHANGE MY ADDRESS?**

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

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