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Attorneys for Plaintiff, CHRISTOPHER STONE,
as an aggrieved employee, and on behalf of
all other aggrieved employees

[Other Counsel listed on the next page.]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHRISTOPHER STONE, as an aggrieved
employee, and on behalf of all other
aggrieved employees under the Labor Code
Private Attorneys' General Act of 2004,

Plaintiff,

v.

ZOHAR CONSTRUCTION, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

CASE NO.: 23STCV07071

[Assigned for all purposes to the Hon.
Richard L. Fruin in Dept. 15]

REPRESENTATIVE ACTION

**JOINT STIPULATION RE: PAGA
SETTLEMENT**

Action Filed: March 30, 2023
Trial Date: None Set

MILLER LAW PARTNERS, PC

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Attorneys for Defendant ZOHAR CONSTRUCTION,

INC.

1 This Joint Stipulation re: PAGA Settlement (“Settlement,” “Agreement” or “Settlement
2 Agreement”) is made by and between plaintiff Christopher Stone (“Plaintiff”), individually, and
3 on behalf of the Aggrieved Employees, on one hand; and defendant Zohar Construction, Inc.
4 (“Defendant”), on the other hand, in the lawsuit entitled *Christopher Stone v. Zohar*
5 *Construction, Inc.*, filed in the Los Angeles County Superior Court, Case No. 23STCV07071.
6 Plaintiff and Defendant shall be, at times, collectively referred to as the “Parties”. This
7 Agreement is intended by the Parties to fully, finally and forever resolve the claims as set forth
8 herein, based upon and subject to the terms and conditions of this Agreement.

9 **1. DEFINITIONS**

10 1.1. “**Action**” means Plaintiff’s lawsuit, alleging wage and hour violations against
11 Defendant, captioned *Christopher Stone v. Zohar Construction, Inc., et al.*, Case No.
12 23STCV07071, initiated on March 30, 2023, and pending in the Superior Court of the State of
13 California, County of Los Angeles.

14 1.2. “**Administrator**” means Phoenix Settlement Administrators or PSA, the neutral
15 entity Plaintiff has appointed to administer the Settlement.

16 1.3. “**Administration Expenses Payment**” means the amount the Administrator will
17 be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
18 accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection
19 with approval of this Settlement.

20 1.4. “**Aggrieved Employees**” means all current and former non-exempt, hourly-paid
21 employees employed by Defendant throughout California any time during the PAGA Period.

22 1.5. “**Aggrieved Employee Data**” means Aggrieved Employee identifying
23 information in Defendant’s possession including the Aggrieved Employee’s name, last-known
24 mailing address, full Social Security number, and dates of employment, *i.e.*, hire dates and, if
25 applicable, re-hire date(s) and/or separation date(s)).

26 1.6. “**Aggrieved Employee Address Search**” means the Administrator’s
27 investigation and search for Aggrieved Employees’ current mailing addresses using all
28 reasonably available sources, methods and means including, but not limited to, the National

1 Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved
2 Employees.

3 1.7. **“Approval Order”** means the proposed Court Order Granting Approval of
4 PAGA Settlement.

5 1.8. **“Court”** means the Superior Court of California, County of Los Angeles.

6 1.9. **“Defense Counsel”** means Lee A. Miller, Ilana M. Kaufman and Nate Loakes of
7 Miller Law Partners, PC.

8 1.10. **“Effective Date”** means the date on which the Court enters its Order Approving
9 the PAGA Settlement.

10 1.11. **“Gross Settlement Amount”** means \$120,600.00, which is the total amount
11 Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay
12 PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administrator’s
13 Expenses Payment and PAGA Representative Service Payment. The remainder is the Net
14 Settlement Amount to be paid to the LWDA and Aggrieved Employees as PAGA Penalties.

15 1.12. **“Individual PAGA Payment”** means the Aggrieved Employee’s pro rata share
16 of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved
17 Employee worked during the PAGA Period.

18 1.13. **“Judgment”** means the judgment entered by the Court based upon its Order
19 Approving the PAGA Settlement.

20 1.14. **“LWDA”** means the California Labor and Workforce Development Agency, the
21 agency entitled, under Labor Code section 2699, subd. (i).

22 1.15. **“LWDA PAGA Payment”** means the 75% of the PAGA Penalties paid to the
23 LWDA under Labor Code section 2699, subd. (i).

24 1.16. **“Net Settlement Amount”** means the Gross Settlement Amount, less the
25 following payments in the amounts approved by the Court: the PAGA Representative Service
26 Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the
27 Administrator’s Expenses Payment. The remainder is the Net Settlement Amount to be paid to
28 the LWDA and Aggrieved Employees as PAGA Penalties.

1.17. **“PAGA Counsel”** means Jasmin K. Gill and Sacha Pomares of J. Gill Law Group, P.C. and Zachary Franklin of Franklin Law, P.C., the attorneys representing the Plaintiff in the Action.

1.18. **“PAGA Counsel Fees Payment”** and **“PAGA Counsel Litigation Expenses Payment”** mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action, as described in paragraph 3.2.2 below.

1.19. **“PAGA Pay Period”** means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.20. **“PAGA Period”** means the period from December 20, 2021 through August 29, 2024 (*i.e.*, 45 days from the date of mediation, which was on July 15, 2024).

1.21. **“PAGA”** means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.22. **“PAGA Notice”** means Plaintiff’s December 20, 2022 letter to Defendant and the LWDA, providing notice pursuant to the Labor Code section 2699.3, subd. (a).

1.23. **“PAGA Penalties”** means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to the LWDA in settlement of PAGA claims.

1.24. **“PAGA Representative Service Payment”** means the payment to Plaintiff for providing services in support of the Action and providing a broader release.

1.25. **“Plaintiff”** means Christopher Stone, the named plaintiff in the Action.

1.26. **“Released PAGA Claims”** means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.27. **“Released Parties”** means: Defendant and any present and former parents, subsidiaries, affiliates, owners, shareholders, members, and their respective officers, directors, employees, representatives, insurers, and agents, attorneys, and any other successors, assigns and legal representatives and its related persons and entities.

1.28. **“Settlement”** means the disposition of the Action effected by this Agreement and the Judgment.

1 **2. RECITALS**

2 2.1. On March 30, 2023, Plaintiff commenced this Action by filing a representative
3 action complaint under the Labor Code Private Attorneys General Act of 2004 for Civil Penalties
4 under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699, alleging various PAGA
5 claims brought in Plaintiff's PAGA Notice.

6 2.2. On June 1, 2023, Defendant filed a Motion to Compel Arbitration, which was
7 granted by the Court on June 27, 2023, ordering Plaintiff to submit his individual claims to
8 arbitration, and staying the non-individual PAGA claims pending the outcome of arbitration.
9 Shortly thereafter, Plaintiff initiated arbitration as to his individual PAGA claims. However,
10 after further discussions, on or about November 21, 2023, the parties ultimately decided to
11 mediate both Plaintiff's individual PAGA claims and Plaintiff's representative PAGA claims on
12 behalf of all other aggrieved employees.

13 2.3. On July 15, 2024, the parties participated in an all-day mediation presided over by
14 Todd Smith, Esquire, which led to this Agreement to settle the Action.

15 2.4. Prior to mediation, Plaintiff obtained, through informal discovery: (1) time and
16 payroll records of approximately 23% of the estimated 256 Aggrieved Employees during the
17 PAGA Period; (2) data points, including the number of Aggrieved Employees, the number of
18 Aggrieved Employees separated from employment in the waiting time penalty period, the
19 average hourly rate of pay, and the number of Pay Periods and shifts during the PAGA Period;
20 (3) all relevant policy documents of Defendant; and (4) Plaintiff's personnel records.

21 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not
22 aware of any other pending matter or action asserting claims that will be extinguished or affected
23 by the Settlement.

24 **3. MONETARY TERMS**

25 3.1. **Gross Settlement Amount.** Defendant promises to pay \$120,600.00 and no more
26 as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement
27 Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will
28 disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees

1 to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert
2 to Defendant.

3 **3.2. Payments from the Gross Settlement Amount.** The Administrator will make
4 and deduct the following payments from the Gross Settlement Amount, in the amounts specified
5 by the Court in the Approval Order:

6 **3.2.1. To Plaintiff:** PAGA Representative Service Payment of not more than
7 \$5,000 to Plaintiff (in addition to any Individual PAGA Payment he is
8 entitled to receive as an Aggrieved Employee). Defendant will not oppose
9 Plaintiff's request for a PAGA Representative Service Payment that does
10 not exceed this amount. As a part of the stipulation, application and/or
11 motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses
12 Payment, Plaintiff will seek Court approval for any PAGA Representative
13 Service Payment prior to the Approval Hearing and/or as a part of a joint
14 stipulation between the parties submitted to the Court requesting approval
15 of this Settlement. If the Court approves a PAGA Representative Service
16 Payment less than the amount requested, the Administrator will allocate
17 the remainder to the Net Settlement Amount. The Administrator will pay
18 the PAGA Representative Service Payment using IRS Form 1099. Plaintiff
19 assumes full responsibility and liability for any taxes owed on the PAGA
20 Representative Service Payment.

21 **3.2.2. To PAGA Counsel:** A PAGA Counsel Fees Payment of up to 35% from
22 the Gross Settlement Amount, which is currently estimated to be
23 \$42,210.00, and approval by the Court and PAGA Counsel Litigation
24 Expenses Payment of not more than \$30,000.00. Defendant will not
25 oppose requests for Court approval of these payments provided that they
26 do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an
27 application, stipulation between the parties, and/or motion for PAGA
28 Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment.

1 If the Court approves a PAGA Counsel Fees Payment and/or a PAGA
2 Counsel Litigation Expenses Payment less than the amounts requested, the
3 Administrator will allocate the remainder to the Net Settlement Amount.
4 Except as otherwise stated herein, Released Parties shall have no liability
5 to PAGA Counsel or any other Plaintiff's Counsel arising from any claim
6 to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel
7 Litigation Expenses Payment. The Administrator will pay the PAGA
8 Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment
9 using one or more IRS 1099 Forms. PAGA Counsel assume full
10 responsibility and liability for taxes owed on the PAGA Counsel Fees
11 Payment and the PAGA Counsel Litigation Expenses Payment and hold
12 Defendant harmless, and indemnify Defendant, from any dispute or
13 controversy regarding any division or sharing of any of these Payments.
14 There will be no additional charge of any kind to Aggrieved Employees or
15 request for additional consideration from Defendant for such work unless
16 Defendant materially breaches this Agreement, including any term
17 regarding funding, and further efforts are necessary from PAGA Counsel
18 to remedy said breach, including, without limitation, moving the Court to
19 enforce the Agreement.

20 3.2.3. **To the Administrator:** An Administrator Expenses Payment not to
21 exceed \$3,950 except for a showing of good cause and as approved by the
22 Court. To the extent the Administration Expenses are less or the Court
23 approves payment less than \$3,950, the Administrator will retain the
24 remainder in the Net Settlement Amount.

25 3.3. **Net Settlement Amount.** The Net Settlement Amount to be paid to the LWDA and
26 Aggrieved Employees as PAGA Penalties is the Gross Settlement Amount, less the following
27 payments in the amounts approved by the Court: PAGA Representative Service Payment, PAGA
28

Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administrator's Expenses Payment.

3.3.1. To the LWDA and Aggrieved Employees: PAGA Penalties will be paid from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.3.1.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the 25% share of the Net Settlement Amount allocated to Individual PAGA Payments by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each respective Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.3.1.2. Within 30 days after this Settlement Agreement is executed, Defendant will provide a declaration to support the accuracy of the Pay Periods worked by Aggrieved Employees during the PAGA Period. Plaintiff may file the declaration as part of the stipulation, application and/or motion for approval of PAGA settlement.

4. SETTLEMENT FUNDING PAYMENTS

4.1. Aggrieved Employee Pay Periods. Based on a review of Defendant's records as of mediation, Defendant estimates there are 256 Aggrieved Employees who worked a total of 3,015 PAGA Pay Periods.

4.2. Aggrieved Employees Data. Within 14 days of the Effective Date, Defendant will simultaneously deliver the Aggrieved Employees Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employees Data in confidence, use the Aggrieved Employees Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved

1 Employees Data to Administrator employees who need access to the Aggrieved Employees Data
2 to effect and perform under this Agreement. Defendant has a continuing duty to immediately
3 notify PAGA Counsel if it discovers that the Aggrieved Employees Data omitted employee
4 identifying information and to provide corrected or updated Aggrieved Employee Data as soon
5 as reasonably feasible. Without any extension of the deadline by which Defendant must send the
6 Aggrieved Employees Data to the Administrator, the Parties and their counsel will expeditiously
7 use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
8 omitted Aggrieved Employee Data.

9 **4.3. Funding of Gross Settlement Amount.** Within 30 days of the Effective Date,
10 Defendant shall fully fund the Gross Settlement Amount into an interest-bearing escrow account
11 held by the Settlement Administrator.

12 If the Settlement is approved, 75% of the interest amount, if any, shall be paid to the
13 LWDA and 25% of the interest amount shall be paid to the Aggrieved Employees. If the
14 Settlement is not approved, the interest amount shall be returned to Defendant.

15 **4.4. Payments from the Gross Settlement Amount.** Within 14 days after Defendant
16 fully funds the Gross Settlement Amount, the Administrator will mail to the Aggrieved
17 Employees the PAGA Payment Letter (attached hereto as **Exhibit 1**) as well as checks for all
18 Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service
19 Payment, Administration Expenses Payment, PAGA Counsel Fees Payment and PAGA Counsel
20 Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA
21 Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA
22 Payments.

23 **4.4.1.** The Administrator will issue checks for the Individual PAGA Payments
24 and send them to the Aggrieved Employees via First Class U.S. Mail,
25 postage prepaid. The face of each check shall prominently state the date
26 (not less than 180 days after the date of mailing) when the check will be
27 voided. The Administrator will cancel all checks not cashed by the void
28 date. Before mailing any checks, the Settlement Administrator must update

1 the recipients' mailing addresses using the National Change of Address
2 Database.

3 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search
4 for all Aggrieved Employees whose checks are returned undelivered
5 without a USPS forwarding address. Within 7 days of receiving a returned
6 check, the Administrator must re-mail checks to the USPS forwarding
7 address provided or to an address ascertained through the Aggrieved
8 Employee Address Search. The Administrator need not take further steps
9 to deliver checks to Aggrieved Employees whose re-mailed checks are
10 returned as undelivered. The Administrator shall promptly send a
11 replacement check to any Aggrieved Employee whose original check was
12 lost or misplaced, requested by the Aggrieved Employee prior to the void
13 date.

14 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is
15 uncashed and cancelled after the void date, the Administrator shall
16 transmit the funds represented by such checks to the California Controller's
17 Unclaimed Property Fund in the name of the Aggrieved Employee.

18 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant
19 to confer any additional benefits or make any additional payments to the
20 Aggrieved Employees (such as 401(k) contributions or bonuses) beyond
21 those specified in this Agreement.

22 **5. RELEASES OF CLAIMS**

23 Upon the Effective Date of this Settlement and when Defendant fully funds the entire
24 Gross Settlement Amount, Plaintiff, Aggrieved Employees and PAGA Counsel will release
25 claims against all Released Parties as follows:

26 5.1. **Plaintiff's Release.** As of the Effective Date and only after full payment of the
27 Gross Settlement Amount by Defendant to the Settlement Administrator, in addition to the PAGA
28 Released Claims defined below, Plaintiff and his former and present spouses, representatives,

agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, make the following General Release (“Plaintiff’s General Released Claims”): Plaintiff fully and finally releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with Plaintiff’s employment with Defendant or termination thereof, except for any and all other claims that may not be released as a matter of law through this Agreement. Plaintiff’s General Released Claims do not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true, but agrees, nonetheless, that Plaintiff’s General Released Claims shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

5.1.1. Plaintiff’s Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2. Release by Aggrieved Employees: As of the Effective Date and only after full payment of the Gross Settlement Amount by Defendant to the Settlement Administrator, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the

Released Parties from any and all claims that arose during the PAGA Period for PAGA penalties, as pleaded in Plaintiff's Complaint in this Action, or that could have been pleaded based on the facts alleged in Plaintiff's Complaint in this Action and the PAGA Notice, for PAGA civil penalties, including, but not limited to, pursuant to Labor Code section 96, 98.6, 201, 202, 203, 204, 210, 226, 226.7, 227.3, 232, 232.5, 246, *et seq.*, 432, 510, 512, 558.1, 1102.5, 1174, 1194, 1197, 1197.5, 1198.5, 2802, and 2810.5, among others (the "PAGA Released Claims").

5.3. **Release by PAGA Counsel:** PAGA Counsel release, 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 Complaint and the PAGA Period facts stated in the Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT

The Parties agree to Plaintiff's filing of a motion for approval of this Settlement, application for approval of this Settlement, and/or the filing of a Joint Stipulation requesting approval of this Settlement.

6.1. **Plaintiff's Responsibilities.** Plaintiff will prepare and endeavor to deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel's firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notices of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential

1 conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations,
2 Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or
3 action asserting claims that will be extinguished or adversely affected by the Settlement.

4 **6.2. Responsibilities of PAGA Counsel.** PAGA Counsel are responsible for
5 expeditiously finalizing and filing the application and/or motion for approval of this Settlement
6 after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for
7 the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel are
8 responsible for delivering the Court's Order Granting Approval to the Administrator.

9 **6.3. Duty to Cooperate.** If the Parties disagree on any aspect of the proposed
10 application or motion for approval of this Settlement and/or the supporting declarations and
11 documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of
12 the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement.
13 If the Court does not grant the application and/or motion for approval of this Settlement or
14 conditions its approval on any material change to this Agreement, PAGA Counsel and Defense
15 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by
16 telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

17 **7. SETTLEMENT ADMINISTRATION**

18 **7.1. Selection of Administrator.** Plaintiff has appointed Phoenix Settlement
19 Administrators ("PSA") to serve as the Administrator and verified that, as a condition of
20 appointment, PSA agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
21 specified in this Agreement in exchange for payment of Administration Expenses. The Parties
22 and their Counsel represent that they have no interest or relationship, financial or otherwise, with
23 the Administrator other than a professional relationship arising out of prior experiences
24 administering settlements.

25 **7.2. Employer Identification Number.** The Administrator shall have and use its own
26 Employer Identification Number for purposes of calculating payroll tax withholdings, if any, and
27 providing reports to state and federal tax authorities.

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

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

8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES**

Based on a review of Defendant’s records as of mediation, Defendant estimates there are 256 Aggrieved Employees who worked a total of 3,015 PAGA Pay Periods.

9. **CONTINUING JURISDICTION OF THE COURT**

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. **ADDITIONAL PROVISIONS**

10.1. **No Admission of Liability or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Complaint have merit or that Defendant has any liability for any

claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. **Integrated Agreement.** Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

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

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

10.5. **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 any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

1 **10.6. No Tax Advice.** Neither Plaintiff, PAGA Counsel, Defendant nor Defense
2 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
3 Settlement be relied upon as such within the meaning of United States Treasury Department
4 Circular 230 (31 CFR Part 10, as amended) or otherwise.

5 **10.7. Modification of Agreement.** This Agreement, and all parts of it, may be
6 amended, modified, changed, or waived only by an express written instrument signed by all
7 Parties or their representatives, and approved by the Court.

8 **10.8. Agreement Binding on Successors.** This Agreement will be binding upon, and
9 inure to the benefit of, the successors of each of the Parties.

10 **10.9. Applicable Law.** All terms and conditions of this Agreement and its exhibits will
11 be governed by and interpreted according to the internal laws of the state of California, without
12 regard to conflict of law principles.

13 **10.10. Cooperation in Drafting.** The Parties have cooperated in the drafting and
14 preparation of this Agreement. This Agreement will not be construed against any Party on the
15 basis that the Party was the drafter or participated in the drafting.

16 **10.11. Confidentiality.** To the extent permitted by law, all agreements made, and orders
17 entered during Action and in this Agreement relating to the confidentiality of information shall
18 survive the execution of this Agreement.

19 **10.12. Headings.** The descriptive heading of any section or paragraph of this Agreement
20 is inserted for convenience of reference only and does not constitute a part of this Agreement.

21 **10.13. Calendar Days.** Unless otherwise noted, all reference to “days” in this Agreement
22 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
23 weekend or federal legal holiday, such date or deadline shall be on the first business day
24 thereafter.

25 **10.14. Notice.** All notices, demands or other communications between the Parties in
26 connection with this Agreement will be in writing and deemed to have been duly given as of the
27 third business day after mailing by United States mail, or the day sent by email or messenger,
28 addressed as follows:

To Plaintiff:

J. GILL LAW GROUP, P.C.

Jasmin K. Gill (Cal Bar No. 315090)

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10.16. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. **Severability.** In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendant's Counsel and PAGA Counsel, on behalf of the Parties and the Aggrieved Employees, mutually

elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement

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

10/29/2024

DocuSigned by:

Christopher Stone

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Christopher Stone

Zohar Construction, Inc.

By: Zohar Haykeen

Its: President & CEO

10/28/2024

DocuSigned by:

Jasmin Gill

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Jasmin K. Gill
Counsel for Plaintiff Christopher Stone

Lee A. Miller

Ilana M. Kaufman

Nate Loakes

Counsel for Defendant Zohar Construction, Inc.

10/28/2024

DocuSigned by:

Zak Franklin

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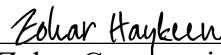
Zachary Franklin
Co-Counsel for Plaintiff Christopher Stone

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Christopher Stone

Signed by:



Zohar Construction, Inc.

By: Zohar Haykeen

Its: President & CEO

Jasmin K. Gill
Counsel for Plaintiff Christopher Stone



Lee A. Miller

Ilana M. Kaufman

Nate Loakes

Counsel for Defendant Zohar Construction, Inc.

Zachary Franklin
Co-Counsel for Plaintiff Christopher Stone

EXHIBIT 1

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Christopher Stone v. Zohar Construction, Inc.
(California Superior Court, County of Los Angeles)
Case No. 23STCV07071

Eligible Employee

Address

Address

You are receiving this notice in connection with a Court-approved settlement (the “Settlement”) in the lawsuit entitled *Christopher Stone v. Zohar Construction, Inc.*, filed in the Los Angeles County Superior Court, Case No. 23STCV07071, (the “PAGA Action”), brought on a representative basis under the Labor Code Private Attorneys’ General Act of 2004 codified at California Labor Code section 2698, *et seq.* (“PAGA”). The plaintiff in the lawsuit is CHRISTOPHER STONE (“Plaintiff”) and the defendant is ZOHAR CONSTRUCTION, INC. (“Defendant”). The Settlement provides for recovery of civil penalties for alleged violations of the California Labor Code on behalf of all Aggrieved Employees, defined as all current and former non-exempt, hourly-paid employees employed by Defendant throughout California any time during December 20, 2021 through August 29, 2024 (*i.e.*, 45 days from the date of mediation, which was on July 15, 2024) (“PAGA Period”). The PAGA statute provides that seventy-five percent (75%), or \$ [REDACTED], will be paid to the Labor and Workforce Development Agency (“LWDA”) out of the Net Settlement Amount, and twenty-five percent (25%), or \$ [REDACTED], will be paid to the Aggrieved Employees out of the Net Settlement Amount according to the number of Pay Periods each Aggrieved Employee worked during the PAGA Period.

Defendant denies all claims and allegations in the Action, denies that it owes any penalties and asserts that it has fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the Action. By settling the lawsuit, Defendant is not admitting that it has done anything wrong.

The Settlement resolves all claims for PAGA civil penalties, known or unknown, that were alleged or reasonably could have been alleged, based on the facts stated in the Complaint and the PAGA Notice, including, without limitation, civil penalties for alleged violation of 96, 98.6, 201, 202, 203, 204, 210, 226, 226.7, 227.3, 232, 232.5, 246, *et seq.*, 432, 510, 512, 558.1, 1102.5, 1174, 1194, 1197, 1197.5, 1198.5, 2802, and 2810.5, among others (“Released Claims”).

The “Released Parties” means the Defendant, and any present and former parents, subsidiaries, affiliates, owners, shareholders, members, and their respective officers, directors, employees, representatives, insurers, and agents, attorneys, and any other successors, assigns and legal representatives and its related persons and entities.

By an Order dated [Approval Date], the Superior Court of California approved the Settlement of the Released Claims. By approving the Settlement, the Court did not decide in favor of either Plaintiff or Defendant.

According to Defendant’s records, you are an Aggrieved Employee and are therefore entitled to a share of the Settlement based upon the Court-approved allocation. Enclosed with this Notice is your settlement check for your share. The settlement check shall remain valid for one hundred eighty (180) days. Thereafter, the settlement check shall be canceled. If your settlement check remains uncashed and is canceled after the void date, the Administrator shall transmit the fund represented by such check to the California Controller's Unclaimed Property Fund in your name.

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties reported on IRS Form 1099, and may be subject to local, state or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

INSERT NAME OF ADMINISTRATOR

WEBSITE

Phone: