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individually and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

DOUGLAS HERNANDEZ, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

CRAFTSMAN LATH AND PLASTER INC., a
California Corporation; and DOES 1-50
inclusive,

Defendant.

CASE NO. CVRI2301019

PAGA REPRESENTATIVE ACTION

*[Assigned for all purposes to Hon. W. Hopp,
Dept. 1]*

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S UNOPPOSED MOTION TO
APPROVE PAGA SETTLEMENT**

Date: June 10, 2024
Time: 8:30 a.m.
Dept.: 1

Complaint filed: February 28, 2023
FAC filed: June 28, 2023
SAC filed: December 18, 2023
Trial date: Not set

RESERVATION ID: 980865259011

1 **[PROPOSED] ORDER**

2 This matter came on for hearing on June 10, 2024 at 8:30 a.m. in Department 1 of the above-
3 entitled Court, the Honorable William Hopp presiding. Based on the pleadings on record, all papers
4 submitted in connection with Plaintiff's Notice of Unopposed Motion and Motion to Approve
5 PAGA Settlement (the "Motion"), and for good cause appearing, Plaintiff's Unopposed Motion is
6 GRANTED.

7 The Court having reviewed the Joint Stipulation of PAGA Settlement and Release of Claims
8 ("Settlement" or "Settlement Agreement") attached as **Exhibit 1**, hereby ORDERS AND
9 ADJUDGES:

10 1. The Court, for purposes of this Order, refers to all defined terms as set forth in the
11 Settlement Agreement.

12 2. The Court finds the Settlement was entered into in good faith, that the settlement
13 is fair, reasonable and adequate, and that the settlement satisfies the standards and applicable
14 requirements for approval of PAGA representative actions under California law. The Settlement
15 is hereby accepted and approved.

16 3. The Parties shall bear their own respective attorneys' fees and costs, except as
17 otherwise provided for in the Settlement and approved by the Court.

18 4. The Settlement is not an admission by Defendant nor is this Order a finding of the
19 validity of any allegations or of any wrongdoing by Defendant. Neither this Order, the Settlement,
20 nor any document referred to herein, nor any action taken to carry out the Settlement, may be used
21 as an admission of any fault, wrongdoing, omission, concession, or liability whatsoever by or against
22 Defendant.

23 5. The Court hereby confirms James Hawkins, Gregory Mauro and Michael Calvo as
24 PAGA Counsel.

25 6. The Court appoints Apex Class Action Administrators as the Settlement
26 Administrator to administer the Settlement pursuant to the terms of the Settlement Agreement.
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1 7. Defendant shall pay the Gross Settlement Amount of \$325,000.00 according to the
2 terms of the Settlement Agreement.

3 8. The Net Settlement Amount (\$176,666.67) means the Gross Settlement Amount
4 (\$325,000.00) minus the following: (a) \$108,333.33 allocated to Attorneys' Fees to Plaintiff's
5 Counsel in the amount of \$ 108,333.33; (b) \$20,000.00 allocated to litigation costs; (c)
6 \$10,000.00 allocated to Plaintiff in exchange for a general release of Plaintiff's individual non-
7 PAGA claims; and (d) \$10,000.00 allocated to Settlement Administrator Costs.

8
9 (a) The Court approves payment to Plaintiff's counsel of Attorneys' Fees in the amount
10 of \$108,333.33 to be paid from the Gross Settlement Amount

11 (b) The Court approves payment to Plaintiff's counsel of actual litigation costs in the
12 amount of \$20,000.00 to be paid from the Gross Settlement Amount.

13 (c) The Court approves payment to the Settlement Administrator for its reasonable costs
14 and fees to administer the Settlement, of \$10,000.00 to be paid from the Gross
15 Settlement Amount.

16 (d) The Court approves payment of \$10,000.00 to be paid to Plaintiff in exchange for a
17 general release of Plaintiff's non-individual PAGA claims.

18 9. In accordance with Labor Code § 2699(d), of the Net Settlement Amount
19 (\$176,666.67), 75% (\$ 132,500.00) is allocated to the LWDA, and the remaining 25%
20 (\$44,166.67) is allocated to the Aggrieved Employees on a pro-rata basis.

21 10. The "PAGA Period" means the time period from April 10, 2022 to September 30,
22 2023.

23 11. The Court directs Defendant to deposit the Gross Settlement Amount with the
24 Settlement Administrator within 30 days of the Effective Date.

25 12. The amount of each Aggrieved Employee's individual settlement payment will be
26 calculated as follows: Twenty-five (25%) of the Net Settlement Amount shall be distributed to
27 the Aggrieved Employees on a pro-rata basis, based on their respective number of pay periods
28 worked for Defendant during the PAGA Period.

1 13. By operation of this Order, Plaintiff shall fully, finally, and forever release and
2 discharge Defendant and the Released Parties from any and all of Plaintiff's released claims
3 and shall be forever barred from pursuing such released claims against Defendant and the
4 Released Parties.

5 14. By operation of this Order, the State of California (including the LWDA) and the
6 Aggrieved Employees (including Plaintiff) shall for the PAGA Period fully, finally and forever
7 release and discharge Defendant and the Released Parties from any and all PAGA Released
8 Claims, as defined in the Settlement Agreement, and shall be forever barred from pursuing such
9 PAGA Released Claims against Defendant and the Released Parties.

10 15. The Court directs the Parties and the Settlement Administrator to carry out the
11 terms of the Settlement Agreement. This includes that each Aggrieved Employee will be issued
12 one check for his or her share of the Employee Payments. The Aggrieved Employee's check will
13 expire one hundred and eighty (180) calendar days from the date the checks are issued by the
14 Settlement Administrator. After the 180 day-period, the Settlement Administrator shall cancel all
15 checks that have not been cashed or deposited and remit funds associated with such canceled
16 checks to the Unclaimed Property Fund of the State Controller's Office in the name associated
17 with each of the Aggrieved Employees whose checks are canceled.

18 16. The Court approves of the proposed letter attached to the Settlement Agreement as
19 **Exhibit A** to be sent to Aggrieved Employees along with their respective settlement check.

20 17. Under California Code of Civil Procedure section 664.6, the Court retains
21 jurisdiction over the Parties to the fullest extent necessary to interpret, enforce, and effectuate the
22 terms and intent of the Settlement and this Order.

23 18. Plaintiff's counsel shall submit a copy of this Order to the LWDA within seven (7)
24 days of the entry of the Order.

25 19. The above-referenced action and all claims asserted by Plaintiff individually and
26 in a representative capacity are hereby dismissed with prejudice.
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IT IS SO ORDERED AND ADJUDGED.

DATED: _____

THE HONORABLE WILLIAM HOPP
JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

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CRAFTSMAN LATH AND PLASTER, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE**

DOUGLAS HERNANDEZ, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

CRAFTSMAN LATH AND PLASTER INC.,
a California Corporation; and DOES 1-50
inclusive,

Defendant.

CASE NO. CVRI2301019

**JOINT STIPULATION OF PAGA
SETTLEMENT AND RELEASE OF
CLAIMS**

This Joint Stipulation of PAGA Settlement and Release of Claims ("Settlement," "Settlement Agreement" or "Agreement"), subject to the approval of the Court, that the Action and PAGA Released Claims shall be settled and resolved subject to the following terms and conditions set forth in this Settlement Agreement, is entered by and between Plaintiff Douglas Hernandez ("Plaintiff"), for himself and on behalf of the State of California and other Aggrieved Employees pursuant to the California Labor Code Private Attorneys General Act, and Defendant Craftsman Lath and Plaster, Inc. ("Defendant" or "Craftsman") (collectively, the "Parties").

This Settlement Agreement shall be effective on the latter of: (a) the Court's final approval of the Settlement if no objections by or on behalf of Aggrieved Employees have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; (c) the final resolution of any appeal that has been filed ("Effective Date").

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter entitled *Douglas Hernandez v. Craftsman Lath and Plaster, Inc.*, Riverside County Superior Court Case No. CVRI2301019, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated April 10, 2023.
2. "Aggrieved Employees" consist of all current and former non-exempt hourly-paid employees who worked at least one pay period for Craftsman at any time during the PAGA Period. Defendant represents there are approximately 425 Aggrieved Employees.
3. "Defendant" or "Craftsman" means Craftsman Lath and Plaster, Inc.
4. "Complaint" means the operative complaint filed by Plaintiff in Riverside County Superior Court in Case No. CVRI2301019.
5. "Court" or "Riverside County Superior Court" means the Superior Court of California for the County of Riverside.

6. "Defense Counsel" or "Counsel for Defendant" are James A. Bowles, Esq., Elissa L. Gysi, Esq. and Richard S. Zuniga, Esq. of Hill, Farrer & Burrell, LLP, One California Plaza, 300 S. Grand Ave, 37th Floor, Los Angeles, California 90071.

7. "Employee PAGA Portion" is the amount to be distributed to the Aggrieved Employees, which shall consist of 25% of the PAGA Penalties Amount, as provided in Section III.3 herein.

8. "Employee Payments" refers to the PAGA Penalty Payments that will be distributed to Aggrieved Employees, as provided in Section III.3 herein.

9. "Gross Settlement Amount" is the sum of Three Hundred Twenty Five Thousand Dollars and Zero Cents (\$325,000.00), which represents the total amount payable under this Settlement Agreement by Defendant, and includes the Employee PAGA Portion payable to Aggrieved Employees, LWDA Payment payable to the LWDA, Court-awarded Attorneys' Fees (not to exceed \$108,333.33) to Plaintiff's Counsel, Court-awarded Litigation Costs (not to exceed \$20,000.00) to Plaintiff's Counsel, Court-awarded Individual Settlement Payment (not to exceed \$10,000.00) to Plaintiff; and a Court-awarded payment to the Settlement Administrator for Settlement Administration Costs (not to exceed \$10,000.00).

10. "LWDA" means the California Labor and Workforce Development Agency.

11. "LWDA Payment" means the amount to be paid to the LWDA, which is seventy-five percent (75%) of the PAGA Penalties Amount as set forth in Section III.3 herein.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount: (a) Attorneys' Fees to Plaintiff's Counsel; (b) Litigation Costs to Plaintiff's Counsel; (c) Individual Settlement Payment to Plaintiff; and (d) Settlement Administration Costs to Settlement Administrator.

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

1 14. "PAGA Period" means the time period from April 10, 2022 to September 30, 2023
2 or the date the Court approves the Parties' long-form, Joint Stipulation for Settlement (or similar
3 long-form Settlement Agreement), whichever comes first.

4 15. "PAGA Released Claims." Upon Court approval of the Settlement and entering of
5 judgment thereon. Plaintiff on behalf of himself and the State of California and Aggrieved
6 Employees will fully and finally release and discharge Defendant and its former, present and
7 future owners, parents, subsidiaries, affiliated companies, and all of their current, former and
8 future officers, directors, members, managers, employees, consultants, partners, shareholders,
9 joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives
10 ("Released Parties"), from all claims, rights, demands, liabilities and causes of action that arose
11 during the PAGA Period for civil penalties under the PAGA, based on the factual allegations pled
12 in the operative complaint in the Action, with respect to the following claims: (1) failure to pay
13 wages including overtime; (2) failure to provide meal periods; (3) failure to provide rest periods;
14 (4) failure to timely pay wages; (5) failure to provide accurate itemized wage statements; (6)
15 failure to accurately record and pay sick leave; (7) payment of wages in a non-labor code
16 compliant instrument; and (8) failure to indemnify necessary business expenses, including any
17 related claims for attorneys' fees, costs, or interest resulting therefrom ("PAGA Released
18 Claims").

19 16. "Plaintiff's Counsel" means James Hawkins, Esq., Gregory Mauro, Esq. and
20 Michael Calvo, Esq. of James Hawkins, APLC.

21 17. "Released Parties" mean Craftsman Lath and Plaster, Inc. and its past, present, and
22 future owners, officers, directors, employees, board members, shareholders, attorneys, insurers,
23 reinsurers, customers, partners, investors, members, representatives, predecessors, parent
24 companies, subsidiaries, affiliates, divisions, successors, agents and principals, and their heirs,
25 estates, executors, administrators, servants, insurers, attorneys, and assigns.

26 18. "Settlement Administrator" means Apex Class Action Administrators, a third-
27 party administrator who shall administer the settlement, subject to approval by the Court, in
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1 accordance with this Settlement Agreement, and whose costs and expenses to administer the
2 settlement are currently estimated not to exceed \$10,000 ("Settlement Administration Costs").

3 **II. RECITALS**

4 1. In April 2021, Plaintiff provided written notice to the LWDA and Craftsman,
5 asserting claims for civil penalties pursuant to Labor Code sections 2698 and 2699 ("PAGA")
6 stemming from alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a),
7 226, 226.3, 226.7, 510, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802, and 2698 *et*
8 *seq*; violations of the Industrial Welfare Commission Wage Orders; and California Code of
9 Regulations, Title 8, section 11000 *et seq*.

10 2. On February 28, 2023, Plaintiff filed a class action complaint in *Douglas*
11 *Hernandez v. Craftsman Lath and Plaster, Inc.*, Riverside County Superior Court Case No.
12 CVRI2301019, alleging violations of the Labor Code and Unfair Competition Law for: (1) failure
13 to pay wages including overtime; (2) failure to provide meal periods; (3) failure to provide rest
14 periods; (4) failure to timely pay wages upon termination or resignation; (5) failure to timely pay
15 wages during employment; (6) failure to provide accurate itemized wage statements; (7) failure
16 to reimburse necessary business expenses, and (8) violation of Business & Professions Code
17 section 17200 *et seq*. On June 18, 2023, Plaintiff filed a First Amended Complaint to add a cause
18 of action for civil penalties under PAGA. Plaintiff then filed a Second Amended Complaint on
19 December 18, 2023 alleging individual claims for violations of the Labor Code for (1) failure to
20 pay wages including overtime; (2) failure to provide meal periods; (3) failure to provide rest
21 periods; (4) failure to timely pay wages upon termination or resignation; (5) failure to timely pay
22 wages during employment; (6) failure to provide accurate itemized wage statements; (7) failure
23 to reimburse necessary business expenses; and alleging a cause of action for civil penalties under
24 PAGA.

25 3. On August 3, 2023, the Parties participated in a day-long mediation with mediator
26 Jeffrey Krivis. In preparation for the mediation, Plaintiff's counsel requested and Defendant's
27 counsel provided sample time and payroll data for the purported Aggrieved Employees, personnel
28 and employment documents. With Mr. Krivis' assistance, the Parties agreed to fully and finally

1 resolve the Action and the PAGA Released Claims as to Plaintiff, the State of California, the
2 LWDA and the Aggrieved Employees.

3 **III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT**

4 The Parties agree as follows:

5 1. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in
6 implementation thereof shall be construed to be an admission or concession by Plaintiff that his
7 claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved
8 Employees, or any other person, and Defendant specifically disclaims any such liability or
9 wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral,
10 administrative, investigative or other forum or proceeding, as evidence of any violation of any
11 federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation
12 or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be
13 used in any court proceeding that has as its purpose the interpretation, implementation, or
14 enforcement of the settlement or any orders or judgments of the Court entered into in connection
15 therewith. The Parties have entered into this Settlement Agreement with the intention to avoid
16 further disputes and litigation with the attendant inconvenience, expenses, and risks. This
17 Settlement Agreement and any related Court documents or orders are not and may not be cited or
18 admitted as evidence of liability. If the Court does not grant approval of this settlement, then the
19 Parties revert to their previous positions and Defendant will contend that a representative action is
20 not appropriate.

21 2. **Gross Settlement Amount.** Craftsman shall pay \$325,000.00 as the Gross
22 Settlement Amount. Craftsman will not pay more than the Gross Settlement Amount. Craftsman
23 represents that there were approximately 13,000 pay periods worked by Aggrieved Employees in
24 California from the April 10, 2022 to August 3, 2023. If the actual number of pay periods worked
25 by Aggrieved Employees from April 10, 2022 to August 3, 2023 is more than 10% greater than
26 this number (i.e., if there are more than 14,300 pay periods worked by Aggrieved Employees
27 from April 10, 2022 to August 3, 2023, Defendant shall increase the GSA in proportion to the
28 increase in pay periods worked over 14,300 (e.g., if the number of pay periods worked by

Aggrieved Employees from April 10, 2022 to August 3, 2023 is 12% greater than 13,000, Defendant will increase the GSA by 2%)). In the event that the escalator clause is triggered, the Parties shall cooperate to obtain an amended judgment which reflects the increased Gross Settlement Amount.

Craftsman shall deposit the Gross Settlement Amount with the Settlement Administrator within 30 days of the Effective Date.

3. **Net Settlement Amount.** The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Aggrieved Employees as follows: Seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked for Craftsman during the PAGA Period. Each Aggrieved Employee will be paid a non-wage check for their Employee Payment, and will receive an IRS Form 1099 for said payment.

4. **Attorneys' Fees Payment and Litigation Costs Payment.** Craftsman will not oppose Plaintiff's request for an award of attorneys' fees in the amount up to \$108,333.33 ("Attorneys' Fees") and litigation costs and expenses in the amount up to \$20,000.00 incurred in prosecuting this Action ("Litigation Costs"), to Plaintiff's Counsel. In the event the Court approves a payment of less than \$108,333.33 for Attorneys' Fees and/or less than \$20,000.00 for Litigation Costs to Plaintiff's Counsel, the difference will be a part of the Net Settlement Amount. The Attorneys' Fees and Litigation Costs payments will be reported on an IRS Form 1099 issued to Plaintiff's Counsel. Except as set forth in this Paragraph, the Parties shall each bear their own attorneys' fees and costs.

5. **Plaintiff's Individual Settlement Payment.** Craftsman will not oppose Plaintiff's request for an Individual Settlement Payment in the amount up to \$10,000.00. In the event the Court approves a payment of less than \$10,000.00 to Plaintiff, the difference will be a part of the Net Settlement Amount. The Individual Settlement Payment will be reported on an IRS Form 1099 issued to Plaintiff.

6. **Settlement Administration Costs.** Craftsman will not oppose Plaintiff's request for payment in the amount up to \$10,000.00 to the Settlement Administrator for administering the settlement. In the event the Court approves a payment of less than \$10,000.00 for Settlement Administration Costs, the difference will be a part of the Net Settlement Amount. Settlement Administration Costs will be reported on an IRS Form 1099 issued to the Settlement Administrator.

7. Within twenty (20) calendar days of execution of this Settlement Agreement by Plaintiff, Plaintiff's Counsel, Craftsman and Defense Counsel, Plaintiff and/or Plaintiff's Counsel shall dismiss without prejudice the class action claims alleged in the Action or amend the complaint to delete any class action claims.

8. **Plaintiff's Release of Claims and Waiver of California Civil Code Section 1542.** In consideration of the Individual Settlement Payment to Plaintiff under the settlement, and upon the Effective Date and payment of all funds due under this Settlement, Plaintiff shall be deemed to release Defendant the Released Parties from any and all claims that Plaintiff may have against the Defendant and the Released Parties, including and not limited to, all complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred, other than as otherwise provided herein) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claim for damages related to Plaintiff's employment with Craftsman, the separation of his employment, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort including defamation, any claim of wrongful termination, retaliation, or wage and hour violations, or any legal restrictions of Craftsman's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation: (1) the Civil Rights Act of 1964, as amended; (2) 42 U.S.C. § 1981; (3) the California Government Code; (4) section 503 of the Rehabilitation Act of 1973; (5) the Americans with Disabilities Act; (6) the Fair Labor Standards Act (including the Equal Pay Act);

(7) the California Constitution; and (8) the California Labor Code, which Plaintiff now has, owns or holds, or claims to have, own or hold, or which Plaintiff at any time heretofore had, owned or held, or claimed to have owned or held against Defendant or any of the Released Parties relating to any conduct occurring prior to and including the date of Plaintiff's execution of this Agreement (collectively, "Plaintiff's Released Claims"). Plaintiff represents that he is not aware of any claims he may have against the Released Parties other than the PAGA Released Claims. As a material inducement for Craftsman to enter into this settlement, Plaintiff waives any and all rights and benefits conferred by the provisions of section 1542 of the California Civil Code and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

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.

Plaintiff understands and acknowledges that this Agreement is meant to include, to the fullest extent, all PAGA Released Claims, Plaintiff's Released Claims and any other claims which Plaintiff does not know or suspect to exist in his favor against the Released Parties.

9. **PAGA Released Claims.** Upon the Effective Date and payment of all funds due under this Settlement, Plaintiff, Aggrieved Employees, the State of California and the LWDA will release the Released Parties from the PAGA Released Claims and will be forever barred from pursuing and all PAGA Released Claims defined in Section I.15 herein against Defendant and the Released Parties. The PAGA Released Claims only cover those civil penalties which are recoverable under PAGA alleged in the operative complaint in the Action and in the LWDA Letter for civil penalties during the PAGA Period, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees other than Plaintiff may have under the law against Released Parties for violations of the California Labor Code.

10. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.** Plaintiff 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 Agreement. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

11. **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the settlement or as required by the PAGA statute, a court of law, or legal process, neither Plaintiff nor Plaintiff's Counsel will publicize the terms of this Settlement Agreement or 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.

12. **Obligation of Plaintiff's Counsel to Submit Settlement Agreement to the LWDA.** To permit judicial review and approval of the PAGA Payment, as required by Labor Code section 2698, *et seq.*, Plaintiff's Counsel will file the Settlement Agreement with the Court and submit the Settlement to the LWDA as part of the parties' seeking Court approval of the Settlement, per Lab. Code § 2699(1)(2).

13. **Filing of Joint Stipulation of Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Joint Stipulation for Approval of the Settlement ("Stipulation") and providing Defendant's Counsel with sufficient opportunity to propose revision to the Stipulation prior to filing. Plaintiff's Counsel will file the Stipulation, which is mutually agreed to by the Parties, as soon as practicable. Plaintiff's Counsel will serve the Stipulation on Defendant's Counsel. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the Court to obtain approval of the Settlement. The Stipulation and order approving the Settlement shall include a provision that the Action is dismissed with prejudice, which shall constitute a final and binding resolution of Plaintiff's claims herein.

Should the Court not allow approval of the Settlement by Stipulation, Plaintiff's Counsel

shall be responsible for preparing and filing a motion for court approval of the Settlement. Plaintiff's counsel shall provide Defendant's Counsel with sufficient opportunity to propose revisions to the motion prior to its filing with the court.

14. **Termination of Settlement Agreement**. If the Court does not approve the settlement, if the Court does not enter judgment as provided for in this Settlement Agreement, 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 material terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Settlement Agreement, in which case the Settlement Agreement 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 Agreement. However, if the Court declines to approve the Settlement Agreement as drafted, the Parties agree to attempt in good faith to amend the Settlement Agreement to resolve the Court's concerns with the Settlement Agreement, before either Party terminates the Settlement Agreement.

15. **Judgment**. As part of the Joint Stipulation of Settlement to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement, and enjoins the prosecution of any of the PAGA Released Claims against Craftsman and the Released Parties. The judgment will release and bar Plaintiff's Released Claims and the PAGA Released Claims as to Plaintiff, the State of California, and Aggrieved Employees.

IV. **ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator**. The Parties have mutually selected Apex Class Action Administrators to handle the administration of this settlement, subject to approval by the Court

2. Notice to Aggrieved Employees.

a. No later than fourteen (14) days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved

Employees List"). The Aggrieved Employees List shall include each Aggrieved Employee's full name, last known mailing address, total pay periods worked for Craftsman in California during the PAGA Period, and Social Security number, to the extent available from Craftsman's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the settlement in conformity with the Court's orders. Craftsman will in good faith compile from its records the Aggrieved Employees List and provide it to the Settlement Administrator in a computer-readable format, such as a Microsoft Excel spreadsheet.

No later than twenty-one (21) calendar days after receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will mail the Employee Payments under cover letter, substantially in the form attached hereto as "**Exhibit A**" ("Cover Letter"), to each of the Aggrieved Employees identified on the Aggrieved Employees List. Prior to mailing the Cover Letter, the Settlement Administrator shall check the addresses provided in the Aggrieved Employees List using the United States Postal Service's National Change of Address database, and update the addresses for known address changes.

Should any of the mailings to the Aggrieved Employees of their Cover Letter and Employee Payments be returned as undeliverable within thirty (30) calendar days of mailing, the Settlement Administrator will have five (5) calendar days after it receives the returned undeliverable mail to search for a more current address for the Aggrieved Employee (via a skip trace or other reasonable method) and re-mail the Cover Letter and Employee Payments to any alternative or updated address obtained by the Settlement Administrator.

The Settlement Administrator shall distribute payments for the Individual Settlement Payment, the Attorneys' Fees, the Litigation Costs, the Settlement Administration Costs, the Employee Payments, and the LWDA Payment within thirty (30) calendar days after the Gross Settlement Amount is deposited with the Settlement Administrator. All payments provided for by this Settlement Agreement shall be made by the Settlement Administrator in accordance with this Settlement Agreement and the Court's order approving this settlement.

Each Aggrieved Employee will be issued one check for his or her Employee Payment which will expire one hundred and eighty (180) calendar days from the date the checks are issued by the Settlement Administrator. After the 180 day-period, the Settlement Administrator shall cancel all checks that have not been cashed or deposited and remit funds associated with such canceled checks to the Unclaimed Property Fund of the State Controller's office in the name associated with each Aggrieved Employee whose Employee Payment checks are canceled.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Craftsman. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Craftsman's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Craftsman benefit plan, policy, or bonus program. Craftsman retains the right, if necessary, to modify the language of its benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

2. **Tax Consequences.** Plaintiff and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the settlement on his/her personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the settlement. Plaintiff, Craftsman, Plaintiff's Counsel, and Defendant's Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement

1 to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement
2 be relied upon as such.

3 3. **Governing Law.** This Settlement Agreement shall be construed under and
4 governed by the laws of the State of California. This Settlement Agreement shall be deemed to
5 have been entered into in California, and all questions of validity, interpretation, or performance
6 of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall
7 be governed by California law. If any legal or equitable action or arbitration is necessary to
8 enforce the terms of this Settlement Agreement, it shall be brought in the State of California,
9 County of Riverside.

10 4. **Entire Agreement.** This Settlement Agreement constitutes the entirety of the
11 Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be
12 deemed binding on the Parties. The Parties each acknowledge and represent that no promise or
13 representation not contained in this Settlement Agreement has been made to them, and
14 acknowledge and represent that this Settlement Agreement contains the entire understanding
15 between them and contains all terms and conditions pertaining to the compromise and settlement
16 of the Action.

17 5. **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement
18 Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure
19 section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing
20 jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and
21 enforce the terms, conditions, and obligations of the Settlement Agreement.

22 6. **Amendment or Modification.** This Settlement Agreement may be amended or
23 modified only by a written instrument, signed by either the Parties or their successors-in-interest
24 or counsel for all Parties, subject to approval by the Court.

25 7. **Authorization to Enter into Binding Settlement Agreement.** Defendant
26 represents and warrants that the undersigned has the authority to act on behalf of Craftsman and
27 to bind Craftsman to the terms of this Settlement Agreement. Plaintiff represents and warrants
28 that he has the capacity to act on his own behalf and on behalf of all who might claim through

him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Settlement Agreement 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 settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

8. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9. **Execution and Counterparts.** This Settlement Agreement 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.

10. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement 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. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement 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 Agreement.

11. **Invalidity of Any Provision**. Before declaring any provision of this Settlement Agreement 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 Agreement valid and enforceable.

12. **Severability**. If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Settlement Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Settlement Agreement 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 Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **No Waiver**. No waiver of any condition or covenant contained in this Settlement Agreement 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.

14. **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 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement 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.

[SIGNATURES ON FOLLOWING PAGE]

1 Dated: 2/9/2024, 2024

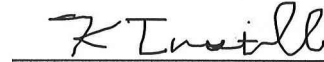
DocuSigned by:


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Douglas Hernandez

CRAFTSMAN LATH AND PLASTER, INC.

2
3
4
5 Dated: 2/20/24, 2024



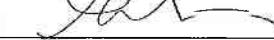
By: Kevin Tunstill

Its: President

8 APPROVED AS TO FORM:

9
10 Dated: February 9, 2024

JAMES HAWKINS, APLC

11 By: 

James Hawkins

12 Gregory Mauro

13 Michael Calvo

Attorneys for Plaintiff, Douglas Hernandez

14
15
16 Dated: FEB. 27, 2024

HILL, FARRER & BURRILL, LLP

17 By: 

James A. Bowles

18 Elissa L. Gysi

19 Richard S. Zuniga

Attorneys for Defendant, Craftsman Lath and Plaster, Inc.

20 HFB 2695853.4 C7995 004

EXHIBIT A

[Apex Class Action Administrators LETTERHEAD]

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From Douglas Hernandez v. Craftsman Lath and Plaster, Inc.,
Riverside County Superior Court Case No. CVRI2301019**

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the court-approved settlement of the lawsuit entitled *Douglas Hernandez v. Craftsman Lath and Plaster, Inc.*, Riverside County Superior Court Case No. CVRI2301019 (the "Action"). The court approved the settlement on _____, 2023.

Apex Class Action Administrators is the third-party administrator who has been appointed by the court to administer the settlement

The Action was filed against Craftsman Lath and Plaster, Inc. ("Craftsman") pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* ("PAGA"). The claim was brought on behalf of the State of California and all similarly situated alleged "aggrieved employees" who worked as non-exempt employees for Craftsman at any time during the period from April 10, 2022 to September 30, 2023 (the "PAGA Period"). You have been identified as one of the employees on whose behalf the case was brought because you were employed as a non-exempt hourly-paid employee by Craftsman during the PAGA Period.

The plaintiff in the case claimed that Craftsman owed penalties under PAGA for certain California Labor Code violations. Craftsman denies that it did anything wrong or that it owes any penalties. The Parties agreed to resolve the case, and as part of that settlement, Craftsman agreed to pay a certain amount of money categorized as PAGA penalties. Under the PAGA statute, the penalties are divided between the State and the aggrieved employees. The amount allocated to employees is being distributed on a *pro rata* basis, based on the respective number of pay periods the employee worked for Craftsman during the PAGA Period. The enclosed check represents your portion of the penalties allocated to the employees.

If you have questions, please contact Apex Class Action Administrators at