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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

JOSE MANUEL CORONA, an individual, on his behalf and on behalf of the Labor and Workforce Development Agency; **Plaintiff,** **v.** **RICHMOND AMERICAN HOMES OF MARYLAND, INC., a corporation;** **Defendants.**	**Case No.: 2:25-cv-03649-CSK** **STIPULATION OF SETTLEMENT UNDER PRIVATE ATTORNEYS GENERAL ACT OF 2004**

The Parties hereto, Plaintiff Jose Manuel Corona ("Plaintiff") as a representative for the Labor and Workforce Development Agency ("LWDA"), and Defendant Richmond American Homes of Maryland, Inc. ("Defendant") (collectively the "Parties"), hereby stipulate and agree as follows:

1. On September 9, 2025, counsel for Plaintiff sent a letter to the Labor and Workforce Development Agency ("LWDA") and Defendant alleging violations of the Labor Code alleged to have occurred during Plaintiff's employment with Defendant ("LWDA Letter"). The LWDA did not, within 65 days of that submission, announce an intention to investigate the matters in the LWDA letter or otherwise respond in any fashion.

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2. On November 14, 2025, Plaintiff filed a complaint in the Superior Court of California, County of Sacramento, alleging a claim under the Private Attorneys General Act ("PAGA", Lab. Code, § 2698 *et seq.*), as well as individual claims under the California Labor Code.

3. On December 18, 2025, Defendant removed this action to this Court pursuant to 28 U.S.C. § 1332.

4. Subsequent to removal, Plaintiff conducted written discovery relevant to, *inter alia,* his PAGA claim. This discovery disclosed information regarding the number of individuals believed to have been affected by the alleged violations during the relevant time period. Defendant represents that the total number of Aggrieved Employees (as defined below) potentially affected by the alleged violation is approximately 260, and that such persons worked a gross total of 7,410 pay periods between September 9, 2024 and August 6, 2026.

5. Defendant denies all of Plaintiff's allegations, both on factual and legal bases.

6. On August 6, 2026, the Parties attended private mediation with David Perrault, Esq., a highly experienced and renowned mediator of class and PAGA actions brought under the California Labor Code. As a result of mediation, the Parties agreed to resolve the claim under the PAGA as well as Plaintiff's individual claims (which are being released separately pursuant to a confidential settlement agreement ["Individual Settlement Agreement"]).

7. Labor Code section 2699(l) requires that the court review and approve any proposed settlement agreement pursuant to PAGA.

8. Plaintiff and Plaintiff's counsel concluded—after taking into account the sharply disputed factual and legal issues involved in the Action, the risks attending further prosecution, the discovery and investigation conducted to date, and the substantial benefits received and to be received pursuant to the compromise and settlement of the Action, the nature of the claimed violations and the wide discretion of the Court to reduce civil penalties imposed—that settlement on the terms herein set forth is in the best interest of all interested parties, including the LWDA, and that the settlement adequately serves the deterrent purposes of the PAGA.

9. Plaintiff and Plaintiff's counsel have balanced their evaluation of the validity and

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strength of the asserted claims against the problems of proof and the legal standards governing the claims alleged. Following substantial discovery and analysis, and applying the appropriate civil penalties as provided by the Labor Code, Plaintiff's counsel believes that the settlement reached satisfies the public policies of PAGA to punish past violations and deter future violations of the Labor Code.

10. Similarly, Defendant and Defendant's counsel concluded there were benefits associated with settling. Although Defendant denies the various allegations and challenges the validity of each of the causes of action in the Action, Defendant took into account the sharply disputed factual and legal issues involved in the LWDA Letter and the Action, the risk attending further defense, the expense, time, and burden of protracted litigation and potential appeal following a judgment, and the desire to put the controversy to rest. Based on these factors, Defendant and Defendant's counsel agreed to this settlement without any admission of fault or liability. Defendant specifically disclaims and denies any such liability or wrongdoing alleged in this action. Nothing in this Stipulation of 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 the negotiations leading to this Stipulation of Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any 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, against Defendant or any other Released Party (as defined in paragraph 13, *infra*). The parties agree an express condition of this Stipulation of Settlement is that there has been no finding of liability on the merits and this settlement cannot be a basis to assert offensive collateral estoppel against Defendant. Notwithstanding the foregoing, nothing in this Stipulation of Settlement shall limit Defendant's use of the Judgment or any papers in this action to assert defensive collateral estoppel or res judicata in any other action.

11. The Parties hereby agree to settle the PAGA Claim at issue in the Action ("the PAGA Settlement") for a total payment of **$190,000.00** ("Maximum Settlement Amount").

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12. The persons covered by the PAGA Settlement will be Plaintiff and all other persons who worked for Defendant in California as current and former non-exempt employees of Defendant who performed work in the State of California at any time from September 9, 2024 through the date on which this Stipulation of Settlement is judicially approved (Aggrieved Employees").[1]

13. The Released Parties are Defendant and all of its subsidiaries, affiliates, shareholders, members, managers, officers, director, agents, employees, predecessors, successors, and assigns.

14. Plaintiff and other Aggrieved Employees will be bound by a release of all claims and causes of action falling within the definition of "Released Claims" (below), whether known or unknown, and irrespective of the factual or legal basis for such claims. However, to be clear, the scope of the release is limited to the PAGA Released Claims as defined in Paragraph 15. Plaintiff and Aggrieved Employees may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this action. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Claims, and by virtue of this Stipulation of Settlement, Plaintiff and Aggrieved Employees shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Released Claims. The parties understand and specifically agree the scope of the release described in this Paragraph is a material part of the consideration for this Stipulation of Settlement; was critical in justifying the agreed upon economic value of this settlement and without it Defendant would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendant is obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts, causes of action, and legal theories contained in Plaintiff's Complaint.

15. Upon the Effective Date (the date on which the above-captioned Court approves this Stipulation of Settlement), the LWDA and each of the Aggrieved Employees, including Plaintiff,

[1] The applicable time period of September 9, 2024 to the date of the order approving this Stipulation of Settlement is referred to as "the PAGA Timeframe."

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hereby voluntarily and knowingly release and forever discharge any and all claims against the Released Parties for alleged violations of Labor Code sections 201, 202, 203, 226(a), 226.7, 510, and 512 (collectively the "PAGA Released Claims"), arising from September 9, 2024 through the date of approval of this Stipulation of Settlement. These releases will take effect whether or not a PAGA Member receives his or her Individual PAGA Payment (as defined herein below) or cashes and deposits any Individual PAGA Payment check.

16. Neither the distribution of Individual Settlement Payment checks to, nor the use or enjoyment of any Individual Settlement Payment checks by, Aggrieved Employees shall constitute a waiver of any claim that does not arise under the PAGA.

17. This Stipulation of Settlement shall not operate as a waiver of any of Plaintiff's individual (i.e., non-PAGA) claims, which, *supra,* are to be resolved by an individual settlement agreement.

18. The Maximum Settlement Amount shall be allocated as follows:

a. $63,333.33, representing 33 1/3% of the Maximum Settlement Amount as attorneys' fees incurred for prosecution of the PAGA Claim;
b. $4,650, representing the costs of administration of this settlement, as conducted by ILYM Class Action Administration Group ("ILYM");
c. $7,500, representing an enhancement payment to Plaintiff for bringing this action; and
d. $4,922.24 for costs of suit.

The Net Settlement Amount of $109,594.43 will be further allocated as follows:

e. $38,358.06, or 35 percent of the Net PAGA Settlement Sum will be distributed by ILYM to Plaintiff and the Aggrieved Employees who worked during the PAGA Timeframe. Each employee will receive a proportional share of the net PAGA Settlement Sum based on the number of pay periods he/she was employed during the PAGA Timeframe ("Individual Settlement Payment"). ILYM will send each Aggrieved Employee their portion of the settlement by mail to the last known address. Settlement checks issued to the Aggrieved Employees pursuant to this Agreement shall expire 120 days from the date they are issued. Any unclaimed funds after 120 days shall be remitted to the Unclaimed Property Fund for the State Controller's Office (SCO) of California.

f. $71,236.37 or 65 percent of the Net PAGA Settlement Sum shall be paid to the LWDA in accordance with Section 2699(i) of the California Labor Code.

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19. Within 10 calendar days of the Court granting approval of this PAGA Settlement, Defendant will remit the Maximum Settlement Amount and provide the names and addresses of Plaintiff and Aggrieved Employees, together with their respective pay periods worked during the PAGA Settlement Period to ILYM ("PAGA Group Information"). The pay periods worked shall include any pay period in which Plaintiff and Aggrieved Employees received a paycheck from Defendant during employment in California during the PAGA Timeframe. If it can be readily determined, pay periods where someone was employed, but did not record any hours, can be excluded from this calculation.

20. The PAGA Settlement Sum will be paid as follows:

a. Within ten (10) calendar days after the Court approves this PAGA Settlement, Defendant shall pay the Maximum Settlement Amount to ILYM and shall also provide to ILYM the names and last-known addresses of all Aggrieved Employees who worked for Defendant during the PAGA Timeframe and the PAGA Group Information. Within 10 days after receiving the aforementioned sum and employee information, ILYM shall (1) pay to Mayall Hurley P.C. attorney's fees and costs as approved by the court; (2) pay Plaintiff an enhancement award as approved by the Court; (3) retain $4,650 for its fees and expenses; (4) pay the 35 percent of the Net PAGA Settlement Sum to the Aggrieved Employees, and (5) pay the 65 percent of the Net PAGA Settlement Sum to the LWDA.

   Individual Settlement Payments shall be sent by ILYM as follows. ILYM shall mail Individual Settlement Payments to Aggrieved Employees by U.S. First Class mail to the Aggrieved Employee's last known addresses. A letter explaining this Settlement Agreement will be included in the mailing of each Aggrieved Employee's check. Plaintiff's payment will be sent to Mayall Hurley P.C. It will be conclusively presumed that any Aggrieved Employee's check was received if the payment check has not been returned within thirty (30) days after the original mailing of the payment check.

b. Settlement checks shall remain valid and negotiable for one hundred twenty (120) calendar days from the date of their issuance. If there are uncashed checks following this period, ILYM will ensure that uncashed funds shall be forwarded to the unclaimed property fund for the State Controller's Unclaimed Property Fund of California in the name of the Aggrieved Employee who did not cash his or her Individual Settlement Payment. If the amounts related to uncashed settlement checks cannot be tendered to the Controller for the State of California, the parties will mutually agree to an alternative recipient option.

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c. The settlement payments set forth above will be reported on IRS Form 1099s by IYLM. The Parties acknowledge and agree that all settlement payments set forth under this Stipulation of Settlement are attributable as penalties. None are attributable as wages. Accordingly, the parties acknowledge and agree that Defendant is not responsible for any employer-side taxes in connection with any Individual PAGA Settlement payments under this Stipulation of Settlement. Plaintiff, Mayall Hurley P.C., and the Aggrieved Employees shall be solely responsible for the reporting and payment of their share of any federal, state and/or municipal income or other taxes on payments made pursuant to this Agreement, and shall hold Defendant and Defendant's counsel free and harmless from 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. No party has made any representation to any of the other Parties as to the taxability of any payments pursuant to this Agreement, including the payments to Plaintiff and the Aggrieved Employees, the payments to Plaintiff's counsel, or otherwise as to the tax implications of any provision of this Agreement.

d. Plaintiff, Plaintiff's counsel, Defendant, and Defendant's counsel shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or the development of the list of recipients of settlement payments by ILYM.

21. In the event that the number of pay periods worked by Aggrieved Employees during the PAGA Period through August 6, 2026 is more than 10 percent larger than represented by Defendant in Paragraph 4, *supra,* then Defendant will have the option to either (i) allow the Gross Settlement Amount to increase on a pro rata basis above 10 percent to the extent the threshold is exceeded (e.g., if the total number of pay periods for the PAGA Period is actually 11 percent more than 7,410, then the Gross Settlement Amount shall increase by one percent), or (ii) shorten the PAGA Period such that the threshold is not exceeded—i.e., such that there is not an increase in the total number of Aggrieved Employees, or pay periods worked, of more than 10 percent. If Defendant elects option (i), *supra,* then Plaintiff's attorney's fees, *supra,* shall increase proportionately so that they equal one-third of the increased Gross Settlement Amount. Similarly, in this event, the payments to the LWDA and the Aggrieved Employees shall increase proportionately so that they equal 65 percent and 35 percent, respectively, of the Net Settlement Amount.

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22. The Parties jointly request that the Court approve the penalties sought as part of the PAGA Stipulation of Settlement and enter judgment accordingly.

23. This Stipulation is made for the sole purpose of settling this Action. This Stipulation and the settlement it evidences are made in compromise of disputed claims. Because this action was pleaded as a PAGA action, this Stipulation must receive approval by the Court. Accordingly, the Parties enter into this Stipulation and associated settlement on a conditional basis. If the Court does not enter an order granting approval of this Stipulation, this Stipulation shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and the negotiation, terms and entry of the Stipulation shall remain subject to the provisions of California Evidence Code sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

24. Plaintiff's attorney has calculated the attorneys' fees and costs included in paragraph 18. The Parties agree that if the Court approves fees or costs less than the respective amounts set forth in Paragraph 18, or if the Court declines to approve a $7,500 enhancement award to Plaintiff, the unapproved portion shall revert to the Net Settlement Amount to be distributed between the Plaintiff, the Aggrieved Employees and the LWDA in the same percentages as set forth in Paragraph 18. Additionally, if the Court reduces or does not approve the requested attorney's fee award and costs, or the requested enhancement payment to Plaintiff, it shall not be grounds to revoke this Stipulation of Settlement and it will remain binding. Plaintiff is not deemed the prevailing party for any purpose.

25. Plaintiff represents and warrants 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 Stipulation of Settlement.

26. Plaintiff acknowledges he has read this Stipulation of Settlement, he fully understands his rights, privileges, and duties under this Stipulation of Settlement, and enters into this Agreement freely and voluntarily. Plaintiff further acknowledges he has had the opportunity to consult with his counsel to explain the terms of the Stipulation of Settlement and the consequences of signing this Stipulation of Settlement.

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27. This Stipulation of Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

28. The Parties shall each bear their own costs and fees incurred in connection with this action and this Stipulation of Settlement, except as otherwise set forth herein.

29. This Stipulation of Settlement shall be construed under the laws of the State of California.

30. Except as provided for in the Individual Settlement Agreement, the Parties acknowledge and represent that no promise or representation not contained in this Stipulation of Settlement has been made to them and acknowledge and represent this Stipulation of Settlement contains the entire understanding between them and contains all of the terms and conditions pertaining to the compromise and settlement of the PAGA Claim. This Stipulation of Settlement cannot be amended or modified except by a writing signed by the Parties hereto and their successors in interest, and such must be approved by a Court of competent jurisdiction.

31. Prior to filing a motion for approval of this settlement, Plaintiff will prepare and deliver to Defense Counsel to the following: (i) a draft of the notice, and memorandum in support, of the Motion for Approval of PAGA Settlement that includes a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order and Judgment Granting Approval of PAGA Settlement; (iii) a draft proposed PAGA Notice; and(iv) a draft declaration from Plaintiff's Counsel in support of the motion;.

32. The Parties agree not to challenge this Stipulation of Settlement as illegal, invalid, or unenforceable. If any provision of this Stipulation of Settlement is determined to be invalid or unenforceable, that provision shall be severed from this Stipulation of Settlement and all of the other provisions shall remain valid and enforceable notwithstanding the severing of the unenforceable portion, unless the provision found to be unenforceable is of such material effect that this Stipulation of Settlement cannot be performed in accordance with the intent of the Parties in the absence of that provision.

33. In the event of a breach of this Stipulation of Settlement or in the event of any action or

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proceeding based upon or related to this Stipulation of Settlement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

34. Each party has had a full and complete opportunity to review this Stipulation of Settlement, and make suggestions or changes and seek legal advice. Accordingly, each party understands this Stipulation of Settlement is deemed to have been drafted jointly by the Parties and agrees that the common-law principles of construing ambiguities against the drafter shall have no application hereto. It should be construed fairly and not in favor of or against one party as the drafter of that provision or this Stipulation of Settlement.

35. This Stipulation of Settlement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, signatures delivered via facsimile transmission, e-mail, or electronic signature applications shall have the same force, validity and effect as the originals of the signatures.

IT IS SO STIPULATED.

PLAINTIFF AND PLAINTIFF'S COUNSEL

DATED: 10/7/2026

Signed by:
4D5DB51DC5DC468...
Plaintiff Jose Manuel Corona

DATED: 10/7/2026

MAYALL HURLEY P.C.

By: DocuSigned by:
F1C173D29750461...
John P. Briscoe
Attorneys for Plaintiff

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DEFENDANT AND DEFENDANT'S COUNSEL

Richmond American Homes of Maryland, Inc.

DATED: 10/23/2026

By: _____

FISHER & PHILLIPS LLP

DATED: __October 23, 2026__

By: _____

Alden J. Parker
Gregory L. Blueford
Joseph R. Wheeler
Attorneys for Defendant