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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

URIEL OREGEL, as an individual and on behalf
of all employees similarly situated,

Plaintiff,

v.

DIABLO RANGE FRAMING, INC., a
California Corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No.: C23-00697

[Assigned for all purposes to Hon. Charles S
Treat, Dept. 12]

**JOINT STIPULATION OF CLASS AND
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Action Filed: March 29, 2023
Trial: Not Set

**JOINT STIPULATION OF CLASS AND PAGA REPRESENTATIVE ACTION
SETTLEMENT**

This Joint Stipulation of Class and PAGA Representative Action Settlement (“Joint Stipulation of Settlement” or “Settlement” or “Agreement”) is made and entered into by and between Plaintiff URIEL OREGEL, individually, and on behalf of all others similarly situated, (“Plaintiff” or “Class Representatives”), and Defendant DIABLO RANGE FRAMING, INC. (“Defendant”). Plaintiff and Defendant are collectively referred to herein as “the Parties.”

THE PARTIES STIPULATE AND AGREE as follows:

DEFINITIONS

1. For purposes of this Settlement, “Complaint” refers to the operative complaint, which is the First Amended Complaint.
2. For purposes of this Settlement, this matter, entitled *Oregel v. Diablo Range Framing, Inc.*, Case No. C23-00697, is referred to herein as the “Action.”
3. For purposes of this Settlement, the “Class Period” is March 29, 2019 through the date the Court grants preliminary approval of this settlement.
4. For purposes of this Settlement, the “Class” or “Class Members” consist of: All non-exempt employees of Defendant who worked in California during the Class Period. “Settlement Class Members” are those Class Members who do not submit timely exclusion requests to the Settlement Administrator. Defendant’s best estimate is that the Class included approximately 720 individuals on December 8, 2023.
5. For purposes of this Settlement, “Class Counsel” means TUNYAN LAW, APC.
6. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a Class Member worked at Defendant’s locations in California during the Class Period.
7. For purposes of this Settlement, “Response Deadline” means the date sixty (60) days after the Settlement Administrator initially mails the Notice to Settlement Class Members and the last date on which Settlement Class Members may submit a request for exclusion or written objection to the Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of 60 calendar days

1 after initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as
2 expressly described herein.

3 8. For purposes of the Settlement, "Defendant's Counsel" means LEVANGIE LAW
4 GROUP.

5 9. For purposes of this Settlement, "PAGA Allocation" means the amount that the Parties
6 have agreed to allocate to resolution of the claim for violation of the Labor Code Private Attorneys
7 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties have agreed that the PAGA
8 Allocation will be \$30,000.00 from the Gross Settlement Amount. Pursuant to PAGA, Seventy Five
9 Percent (75%), or \$22,500.00, of the PAGA Allocation will be paid to the LWDA ("PAGA Penalty
10 Payment"), and Twenty Five Percent (25%), or \$7,500.00, of the PAGA Allocation will be included in the
11 Net Settlement Amount for PAGA Employees ("PAGA Settlement Payment").

12 10. For purposes of this Settlement, "PAGA Period" means the period between March 29,
13 2022 through the date the Court grants preliminary approval of this settlement.

14 11. For purposes of this Settlement, "PAGA Employee" means all Class Members that worked
15 at any time during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all
16 PAGA Employees are "aggrieved employees" as defined pursuant to PAGA. PAGA Employees cannot
17 opt out of the settlement of the PAGA claim.

18 12. For purposes of this Settlement, "PAGA Pay Periods" means the number of pay periods
19 each PAGA Employee worked during the PAGA Period.

20 13. For purposes of this Settlement, "PAGA Representatives" means Plaintiff.

21 14. For purposes of this Settlement, "Released PAGA Claims" means all claims asserted
22 through California Labor Code §§ 2698, *et seq.*, that were identified by the PAGA Representatives in the
23 Notice to the LWDA and are alleged in the Complaint. Plaintiff's Notice to the LWDA is attached hereto
24 as **Exhibit "A"**.

25 15. For purposes of this Settlement, "Released PAGA Claims Period" means the period
26 between March 29, 2022 through the date the Court grants preliminary approval of this settlement.

27 16. For purposes of this Settlement, "Settlement Payments" means all of the payments to
28 Settlement Class Members (the "Settlement Class Payments") and all of the payments to the PAGA

1 Employees (the "PAGA Settlement Payment").

2 **STIPULATED BACKGROUND**

3 17. On March 29, 2023, Plaintiff filed a putative Class Action alleging the following labelled
4 causes of action: (1) failure to pay all wages (Lab. Code §§ 204, 246, 510, 1194, 1998); (2) failure to
5 provide meal periods (Lab. Code §§ 226.7, 512 and Wage Order); (3) failure to provide rest periods (Lab.
6 Code §§ 226.7 and Wage Order); (3); (4) failure to maintain and provide accurate itemized wage
7 statements (Lab. Code §§ 226(a) and 1174); (5) failure to indemnify necessary business expenses (Lab.
8 Code § 2802); (6) failure to timely pay all wages and final wages (Lab. Code §§ 201, 202, 203, 204 and
9 210); (7) Unfair Business Practices in violation of Bus. & Prof. Code § 17200 et seq. On June 2, 2023,
10 Plaintiff filed his First Amended Complaint adding the eighth case of action for civil penalties under the
11 Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] ("PAGA"). (The
12 "Action.") .

13 18. The parties agree that Plaintiff satisfied the administrative exhaustion requirement that is a
14 prerequisite to filing a claim for Civil Penalties under the Labor Code Private Attorneys General Act of
15 2004 [Lab. Code § 2699, et seq.] ("PAGA") by submission of the notice to the LWDA and Defendant on
16 March 28, 2023.

17 19. Solely for purposes of settling this case, the Parties and their respective counsel stipulate
18 and agree that the requisites for establishing class certification with respect to the Class Members have
19 been met and are met. More specifically, the Parties stipulate and agree that:

- 20 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
21 Class Members.
- 22 (b) There are common questions of law and fact including, but not limited to, the
23 following:
- 24 1) Whether or not Defendant paid proper wages to the Class;
 - 25 2) Whether or not Defendant provided meal periods to the Class;
 - 26 3) Whether or not Defendant provided rest periods to the Class;
 - 27 4) Whether or not Defendant paid compensation timely upon separation of
28 employment to former Class Members;

- 1 5) Whether or not Defendant paid compensation timely throughout Class
- 2 Members' employment;
- 3 6) Whether or not Defendant provided accurate itemized statements to the
- 4 Class;
- 5 7) Whether or not waiting-time penalties are available to the Class for
- 6 violation of California Labor Code § 203;
- 7 8) Whether or not Defendant maintained requisite records;
- 8 9) Whether or not Defendant paid proper meal period pay or rest period pay to
- 9 the Class; and,
- 10 10) Whether or not Defendant engaged in unlawful or unfair business practices
- 11 affecting the Class in violation of California Business and Professions
- 12 Code §§ 17200-17208.

- 13 (c) Plaintiff's claims are typical of the claims of the Class Members.
- 14 (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the
- 15 Class.
- 16 (e) The prosecution of separate actions by individual members of the Class would
- 17 create the risk of inconsistent or varying adjudications, which would establish
- 18 incompatible standards of conduct.
- 19 (f) With respect to the Class, questions of law and fact common to the members of the
- 20 Class predominate over any questions affecting any individual member in such
- 21 Class, and that a class action is superior to other available means for the fair and
- 22 efficient adjudication of the controversy.

23 20. Should, for whatever reason, the Settlement not become effective, class certification as part
24 of the Settlement shall have no bearing on and shall not be admissible in connection with whether the
25 Class Members and/or the Class Claims should be certified in a non-Settlement context in this Action or in
26 any other lawsuit. Defendant expressly reserves its right to oppose class certification in this or any other
27 action should this Settlement not become effective.

28 21. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the

1 claims alleged in the Complaint, and Defendant further denies that, for any purpose other than settling this
2 lawsuit, the action is appropriate for class or representative treatment. With respect to Plaintiff's claims,
3 Defendant contends, among other things, that Plaintiff and the Class Members have been paid proper
4 wages, have been provided meal periods, have been provided rest periods, have been paid timely wages
5 upon separation of employment, and have been provided with accurate itemized wage statements.
6 Defendant contends, among other things, that it has complied at all times with the California Labor Code
7 and the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect to all
8 claims, Defendant contends that it has complied at all times with the California Business and Professions
9 Code.

10 22. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge
11 all disputes and claims arising from or related to the Complaint.

12 23. Class Counsel has conducted a thorough investigation into the facts of this Action,
13 including an extensive review of relevant documents, and has diligently pursued an investigation of the
14 claims of the Class and PAGA claims against Defendant. Based on its own independent investigation and
15 evaluation, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and on
16 the terms set forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best
17 interest of the Class and PAGA employees in light of all known facts and circumstances, including the risk
18 of significant delay, the risk the Class will not be certified by the Court, defenses asserted by Defendant,
19 and numerous potential appellate issues. Defendant and Defendant's Counsel also agree that the
20 Settlement is fair and in the best interest of the Class.

21 24. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
22 preliminary and final approval of this Settlement.

23 25. The Parties agree to stay all proceedings in the Action, except such proceedings necessary
24 to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the
25 Court.

26 **PRIMARY TERMS OF SETTLEMENT**

27 26. NOW THEREFORE, in consideration of the mutual covenants, promises and agreements
28 set forth herein, the Parties agree, subject to the Court's approval, as follows:

- 1 (a) It is agreed by and among the Settlement Class, PAGA Employees, and Defendant
2 that this case and any claims, damages, or causes of action arising out of the
3 disputes which are the subject of this case, be settled and compromised as between
4 the Settlement Class, PAGA Employees, and Defendant, subject to the terms and
5 conditions set forth in this Settlement and the approval of the Court.
- 6 (b) Effective Date: The "Effective Date" of the Settlement means the date by
7 when both of the following have occurred: (a) the Court enters a Judgment on
8 its Order Granting Final Approval of the Settlement; and (b) the Judgment is
9 final. The Judgment is final as of the latest of the following occurrences: (a) if
10 no Class Member objects to the Settlement, the day the Court enters Judgment;
11 (b) if one or more Class Members objects to the Settlement, the day after the
12 deadline for filing a notice of appeal from the Judgment; or if a timely appeal
13 from the Judgment is filed, the day after the appellate court affirms the
14 Judgment and issues a remittitur.
- 15 (c) Gross Settlement Amount: Defendant's maximum total payment under the
16 Settlement, including all attorney's fees and costs, the Service Payment to the
17 named Plaintiff, the costs of settlement administration, the PAGA Allocation, and
18 any other payments provided by this Settlement, is Two Hundred Twenty
19 Thousand Dollars (\$220,000.00) ("Gross Settlement Amount"), subject to the
20 Escalator Clause and except that, to the extent that any portions of the Class
21 Members' Settlement Payments constitute wages, Defendant will be separately
22 responsible for any employer payroll taxes required by law, including the employer
23 FICA, FUTA, and SDI contributions.
- 24 (d) Escalator Clause: On December 8, 2023, Defendant represented that the number of
25 workweeks worked in the Class Period for Class Members was approximately
26 9,173. If it is later determined that, on the date of preliminary approval, the
27 number of workweeks in the Class Period is more than 10% greater than the
28 estimated number of workweeks on December 8, 2023, Defendant can either have

1 the Gross Settlement Amount increased by 1% for each percent over the 10%
2 threshold that the actual number of workweeks exceeds the estimated number of
3 workweeks, i.e. exceeds 10,090 workweeks (if the number of workweeks increases
4 by 11%, the Gross Settlement will increase 1%), or have the Class Period end on
5 the date that the estimated number of workweeks exceed 10% threshold or 10,090
6 workweeks (the "Escalator Clause").

7 (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will
8 revert to Defendant.

9 (f) No Claims Required: Class Members will not be required to submit a claim to
10 receive their Settlement payment.

11 (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by
12 deducting from the Gross Settlement Amount (\$220,000.00) the following sums,
13 subject to approval by the Court: (1) attorney's fees (not to exceed 33 and 1/3% of
14 the Gross Settlement Amount, or \$73,333.33); (2) reasonable litigation costs (not to
15 exceed \$15,000.00); (3) the Service Payment to Plaintiff in the amount of
16 \$7,000.00; (4) the PAGA Penalty Payment in the amount of \$22,500.00 (which is
17 75% of the PAGA Allocation); and (5) costs of settlement administration
18 (estimated not to exceed \$20,000). Settlement Payments to the Class Members and
19 PAGA Employees will be calculated by the Settlement Administrator and paid out
20 of the Net Settlement Amount as set forth below.

21 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
22 Settlement Class Members' Settlement Payments constitute wages, Defendant will
23 be separately responsible for any **employer** payroll taxes required by law,
24 including the employer FICA, FUTA, and SDI contributions. Except for any
25 employer payroll taxes, it is understood and agreed that Defendant's maximum
26 total liability under this Settlement shall not exceed the Gross Settlement Amount.
27 The Settlement Administrator will calculate and submit the Defendant's employer
28 share of payroll taxes after advising Defendant of the total amount owed, in

1 aggregate, as employer-side payroll taxes and receiving a lump sum payment from
2 Defendant in that amount when the Gross Settlement Amount is delivered to the
3 Settlement Administrator.

4 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
5 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
6 Member (i.e., those Class Members who do not opt out of the Class Settlement, as
7 defined above) will be paid a pro-rata share of the Net Settlement Amount, less the
8 PAGA Settlement Payments totalling \$7,500.00, as calculated by the Settlement
9 Administrator. The pro-rata share will be determined by comparing the individual
10 Settlement Class Member's Covered Workweeks employed during the Class
11 Period in California to the total Covered Workweeks of all the Settlement Class
12 Members during the Class Period as follows: [Workweeks worked by a Settlement
13 Class Member] ÷ [Sum of all Covered Workweeks worked by all Settlement Class
14 Members] × [Net Settlement Amount – all PAGA Settlement Payments] =
15 individual Settlement Payment for a Settlement Class Member. Settlement Class
16 Payments in the appropriate amounts will be distributed by the Settlement
17 Administrator by mail to the Settlement Class Members. Uncashed, unclaimed or
18 abandoned checks, shall be transmitted to the California Controller's Office, as set
19 forth below.

20 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
21 Settlement Amount. Each PAGA Employee will be paid a pro-rata share of the
22 PAGA Employees' PAGA Settlement Payment, as calculated by the Settlement
23 Administrator. Class Members will not be permitted to exclude themselves from
24 this portion of the Settlement. The pro-rata share will be determined by comparing
25 the individual PAGA Employees' PAGA Pay Periods during the PAGA Period to
26 the total PAGA Pay Periods of all the PAGA Employees during the PAGA Period
27 as follows: [PAGA Pay Periods worked by a PAGA Employee] ÷ [Sum of all
28 PAGA Pay Periods worked by all PAGA Employees] × [PAGA Settlement

1 Payment to Employees, i.e. \$7,500.00] = individual PAGA Employee's portion of
2 the PAGA Settlement Payment. PAGA Settlement Payments to PAGA
3 Employees in the appropriate amounts will be distributed by the Settlement
4 Administrator by mail to the PAGA Employees at the same time Settlement Class
5 Payments issue to the Settlement Class. Uncashed, unclaimed or abandoned
6 checks, shall be transmitted to the California Controller's Office, as set forth
7 below. The LWDA's PAGA Penalty Payment will issue to the LWDA at the same
8 time Settlement Payments issue to the Settlement Class.

9 (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class
10 Payments will be allocated as follows: 20% to wages, 40% to penalties and 40% to
11 interest. The PAGA Settlement Payment shares to PAGA Employees will be
12 entirely allocated to penalties. Appropriate federal, state and local withholding
13 taxes will be taken out of the wage allocations, and each Class Member will
14 receive an IRS Form W-2 with respect to this portion of the Settlement Payment.
15 The employer's share of payroll taxes and other required withholdings will be paid
16 as set forth above, including but not limited to the Defendant's FICA and FUTA
17 contributions, based on the payment of claims to the Class Members. IRS Forms
18 1099 will be issued to each Class Member reflecting the payments for penalties and
19 interest. Class Members are responsible to pay appropriate taxes due on the
20 Settlement Payments they receive. To the extent required by law, IRS Forms 1099
21 and W-2 will be issued to each Class Member with respect to such payments. All
22 PAGA Settlement Payments will be allocated as 100% penalties.

23 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement
24 Payments to individual Class Members shall be deemed to be paid to such Class
25 Member solely in the year in which such payments actually are received by the
26 Class Member. It is expressly understood and agreed that the receipt of such
27 Settlement Payments will not entitle any Class Member to additional compensation
28 or benefits under any company bonus, contest or other compensation or benefit

1 plan or agreement in place during the period covered by the Settlement, nor will it
2 entitle any Class Member to any increased retirement, 401(k) benefits or matching
3 benefits or deferred compensation benefits. It is the intent that the Settlement
4 Payments provided for in this Settlement are the sole payments to be made by
5 Defendant to the Class Members, and that the Class Members are not entitled to
6 any new or additional compensation or benefits as a result of having received the
7 Settlement Payments (notwithstanding any contrary language or agreement in any
8 benefit or compensation plan document that might have been in effect during the
9 period covered by this Settlement).

10 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
11 object to Class Counsel's application for attorney's fees not to exceed 33 and 1/3%
12 of the Gross Settlement Amount (\$73,333.33) and reimbursement of litigation
13 costs and expenses not to exceed \$15,000.00. Approved attorney's fees and
14 litigation costs shall be paid at the same time Settlement Payments issue to the
15 Settlement Class.

16 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
17 Defendant will not object to Class Counsel's application for a payment of
18 \$7,000.00 to Plaintiff for service as a Class Representative ("Service Payment"). It
19 is understood that the Service Payment is in addition to the individual Settlement
20 Payment to which a Class Representative is entitled to along with the other Class
21 Members. In exchange, Plaintiff have agreed to release all claims, demands,
22 rights, liabilities and causes of action of every nature and description
23 whatsoever, known or unknown, asserted or that might have been asserted,
24 whether in tort, contract, or for violation of any state or federal statute, rule or
25 regulation arising out of, relating to, or in connection with any act or omission
26 by or on the part of any of the Released Parties committed or omitted prior to
27 the execution hereof ("Plaintiff's Released Claims"). Plaintiff and Defendant
28 both stipulate and agree that each of them have expressly waived and

1 relinquished, to the fullest extent permitted by law, the provisions, rights and
2 benefits of Section 1542 of the California Civil Code, or any other provision
3 under federal or state law, which provides:

4 A general release does not extend to claims which the creditor or releasing party
5 does not know or suspect to exist in his or her favor at the time of executing the
6 release, which if known by him or her must have materially affected his or her
7 settlement with the debtor or released party.

8 The Parties understand that the General Release does not release any claims that
9 they cannot lawfully release. It is also understood and agreed by Defendant that
10 by this release Plaintiff is not waiving unemployment and/or any state disability
11 insurance benefits pursuant to the terms of applicable state law, workers'
12 compensation claims, any rights which are not subject to waiver as a matter of
13 law.

14 (o) Defendant or the Settlement Administrator will issue an IRS Form 1099 for the
15 Service Payment to the Plaintiff. The Plaintiff will be individually responsible for
16 correctly characterizing this compensation on personal income tax returns for tax
17 purposes and for paying any taxes on the amounts received. Plaintiff agrees not to
18 opt out or object to the Service Payment as the Class Representative.

19 (p) Settlement Administrator: The Settlement Administrator will be Simpluris, Inc.
20 Settlement Administration Costs are estimated not to exceed \$20,000.

21 (q) Funding of Settlement Account: Defendant will fund the settlement
22 account and distribute Gross Settlement Amount within fifteen (15)
23 calendar days of the Effective Date of the Settlement.

24 (r) Distribution and Mailing of Settlement Payments: The Settlement
25 Administrator shall mail the Settlement Payments to the Class Members within
26 fourteen (14) calendar days of receipt of the Gross Settlement Amount from
27 Defendant, provided that the Settlement Administrator has delivered to the
28 Parties an accounting of the amounts to be paid by Defendant pursuant to the

1 terms of this Settlement.

2 (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the
3 material terms of the proposed Settlement, along with instructions about how to
4 object or request exclusion from the proposed class action Settlement ("Notice").
5 For each Class Member, there will be pre-printed information on the mailed
6 Notice, based on Defendant's records, stating the Class Member's Covered
7 Workweeks during the Class Period and the estimated total Settlement Payment
8 under the Settlement, including the Settlement Class Payment and the PAGA
9 Settlement Payment that will be distributed irrespective of any exclusion request.
10 The pre-printed information based on Defendant's records shall be presumed to be
11 correct. A Class Member may dispute the pre-printed information on the Notice as
12 to his or her Covered Workweeks during the Class Period. Class Members must
13 submit any dispute regarding the information on the Notice as to his or her
14 Covered Workweeks within the Response Deadline.

15 (t) Settlement Notice Language: The Notice will issue in English and Spanish.

16 (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
17 Class Members submitting a request for exclusion will nevertheless receive their
18 pro-rata share of the PAGA Settlement Payment. If the Court approves the
19 compromise of the PAGA Claim, all Class Members are bound by the Court's
20 resolution of the PAGA Claim. Plaintiff shall serve a notice of settlement on the
21 California Labor and Workforce Development Agency at or before the time
22 Plaintiff files the motion for preliminary approval.

23 (v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of
24 Defendant's records used to calculate Covered Workweeks, the Parties' counsel
25 and the Settlement Administrator will review Defendant's records and any
26 information or documents submitted by the Class Member in an attempt to resolve
27 the dispute informally. If the dispute cannot be resolved informally by the Parties'
28 counsel and the Settlement Administrator, the dispute, and all documents

1 pertaining to the dispute, will be submitted to the Court for final resolution. The
2 Class Member must submit information or documents supporting his or her
3 position to the Settlement Administrator prior to the expiration of the Response
4 Deadline. Information or documents submitted after the expiration of the
5 Response Deadline will not be considered by the Settlement Administrator, unless
6 otherwise agreed to by the Parties.

7 (w) Right of Class Member to Request Exclusion from the Settlement: Any Class
8 Member may request to be excluded from the Class by returning a request for
9 exclusion to the Settlement Administrator within the Response Deadline. A request
10 for exclusion must clearly and unequivocally state a desire to be excluded from the
11 Class, with a statement comparable to the following:

12 "I WANT TO BE EXCLUDED FROM THE CLASS IN THE
13 OREGEL V. DIABLO RANGE FRAMING, INC. CLASS
14 ACTION LAWSUIT, PENDING IN CONTRA COSTA
 COUNTY SUPERIOR COURT CASE NO. C23-00697."

15 No specific wording is required to state a request for exclusion, so long as it is clear
16 and unequivocal. Any request for exclusion must include the name, address,
17 telephone number, the last four digits of the Class Member's Social Security
18 Number or Employee ID (to confirm your identity and make certain that only
19 persons requesting exclusion are removed from the settlement) and your signature.
20 If a Class Member does not have a social security number and does not know his
21 Employee ID, he can contact the Settlement Administrator to arrange for an
22 alternate method of confirming his identity. Any such request must be made in
23 accordance with the terms of the Notice, and the Notice will advise Class Members
24 of these requirements. Any Class Member who timely requests exclusion in
25 compliance with these requirements (i) shall not have any rights under this
26 Settlement other than a right to receive a pro-rata share of the portion of the PAGA
27 payment allocated to the Class Members if the Class Member is also PAGA
28 Employee; (ii) shall not be entitled to receive any Settlement Payments under this

1 Settlement other than as stated in (i) in this paragraph; and (iii) shall not be bound
2 by this Settlement or the Court's Order and Final Judgment other than as it applies
3 to the PAGA Claim.

4 (x) Right of Settlement Class Member to Object to The Settlement: Any Class
5 Member may object to the Settlement. To object, the Class Member may (1)
6 appear in person (including through an audio or video call appearance as allowed
7 by the Court) at the Final Approval Hearing to explain any objection, (2) have an
8 attorney object for the Class Member, or (3) submit a simple written brief or
9 statement of objection to the Settlement Administrator. If any Class Member
10 chooses to submit a written objection, the written objection should contain
11 sufficient information to confirm the identity of the objector and the basis of the
12 objection, including (1) the full name of the Class Member; (2) the signature of the
13 Class Member; (3) the grounds for the objection; and (4) the case and number, and
14 (5) be postmarked within the Response Deadline to permit adequate time for
15 processing and review by the Parties of the written statement or objection. Class
16 Counsel shall ensure that any written objections are transmitted to the Court for the
17 Court's review (either by Class Counsel or as an attachment to declaration from the
18 Settlement Administrator). Regardless of the form, an objection alone will not
19 satisfy the requirement that a Settlement Class Member must either make a timely
20 complaint in intervention before final judgment or by file a motion to set aside and
21 vacate the class judgment under Code of Civil Procedure § 663 to have standing to
22 appeal entry of judgment approving this Settlement, as is required under the
23 California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal.
24 5th 260 (2018). A Class Member who does not object prior to or at the Final
25 Approval Hearing, will be deemed to have waived any objections and will be
26 foreclosed from making any objections (whether at the Final Approval Hearing, by
27 appeal, or otherwise) to the Settlement. If the objecting Class Member does not
28 formally intervene in the action or move to set aside any judgment and/or the Court

1 rejects the Class Member's objection, the Class Member will still be bound by the
2 terms of this Agreement. Class Counsel and Defendant's Counsel may, at least
3 five (5) calendar days (or some other number of days as the Court shall specify)
4 before the final approval hearing, file responses to any written objections submitted
5 to the Court.

6 (y) Opt-in to Release Under Fair Labor Standards Act: Settlement Class Members will
7 be advised that they will opt-in to a settlement of claims for unpaid compensation
8 under the Fair Labor Standards Act ("FLSA") by cashing or otherwise depositing
9 the check for their Settlement Class Payment. This will be set forth in the Notice.

10 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

11 27. Subject to the Court's approval, and subject to reconsideration by the Parties after a
12 competitive bidding process, the Parties have agreed to the appointment of Simpluris Inc. to perform the
13 customary duties of Settlement Administrator. The Settlement Administrator will mail the Notice, both in
14 English and Spanish, to the Class Members.

15 28. The Settlement Administrator will independently review the Covered Workweeks
16 attributed to each Class Member and will calculate the estimated amounts due to each Class Member and
17 the actual amounts due to each Settlement Class Member in accordance with this Settlement. The
18 Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The
19 Settlement Administrator shall be granted reasonable access to Defendant's records in order to perform its
20 duties.

21 29. In accordance with the terms of this Settlement, and within fourteen (14) calendar days of
22 receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send
23 out the Settlement Payment checks to the Class Members. Tax treatment of the Settlement Payments will
24 be as set forth herein, and in accordance with state and federal tax laws. All disputes relating to the
25 Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will
26 have continuing jurisdiction over the terms and conditions of this Settlement until all payments and
27 obligations contemplated by this Settlement have been fully carried out. Within fourteen (14) calendar
28 days of receipt of the Gross Settlement Amount from Defendant the Settlement Administrator will also

1 distribute the Service Payment to Plaintiff, attorney's fees and costs to Class counsel, PAGA penalty
2 payment to LWDA and the Settlement Administrator's fees.

3 30. The Settlement Administrator will post the First Amended Complaint, the Settlement
4 Agreement, the court orders granting preliminary and final approval of the Settlement and final judgment
5 approving the Settlement on the Settlement Administrator's website for a period of not less than 90
6 calendar days after the final judgment is entered. The address of that website will be included in the
7 Notice.

8 ATTORNEY'S FEES AND COSTS

9 31. In consideration for resolving this matter and in exchange for the release of all claims by
10 the Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not object to
11 Class Counsel's application for attorney's fees not to exceed 33 and 1/3% of the Gross Settlement Amount
12 (\$73,333.33 of \$220,000.00) and litigation costs not to exceed \$15,000.00. The amounts set forth above
13 will cover all work performed and all fees and costs incurred to date, and all work to be performed and all
14 fees and costs to be incurred in connection with the approval by the Court of this Settlement and
15 administration of the Settlement. Should the Court approve a lesser amount(s) of attorney's fees and/or
16 attorneys' costs, the difference between the lesser amount(s) and the maximum amount set forth above
17 shall be added to the Net Settlement Amount.

18 THE NOTICE PROCESS

19 32. A Notice in approximately the form attached hereto as **Exhibit "B"**, and as approved by
20 the Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The
21 Notice packet shall be translated into Spanish so that Spanish and English language versions of the Notice
22 packet are included in the mailing. Any returned envelopes from this mailing with forwarding addresses
23 will be utilized by the Settlement Administrator to forward the Notices to the Class.

24 (a) Within 15 calendar days from the date of preliminary approval of this Settlement
25 by the Court, Defendant shall provide to the Settlement Administrator a class
26 database containing the following information for each Class Member: (1) name;
27 (2) last known address; (3) social security number; and (4) dates of employment at
28 Defendant's location in California. This database shall be based on Defendant's

1 payroll and other business records and shall be provided in a format acceptable to
2 the Settlement Administrator. Defendant agrees to consult with the Settlement
3 Administrator prior to the production date to ensure that the format will be
4 acceptable to the Settlement Administrator. The Settlement Administrator will run
5 a check of the Class Members' addresses against those on file with the U.S. Postal
6 Service's National Change of Address List; this check will be performed only once
7 per Class Member by the Settlement Administrator. Absent mutual written
8 agreement of counsel for the Parties or Court order, the Settlement Administrator
9 will keep this database confidential and secure and use it only for the purposes
10 described herein, and will return this database to Defendant upon final approval of
11 the settlement or destroy electronic records containing the database after the
12 Settlement is final and all payments are distributed as required under this
13 Agreement. However, Plaintiff's Counsel shall be entitled to review anonymized
14 data showing the workweeks worked by each Class Member, with Class Member
15 identity concealed through use of an employee number or number assigned by the
16 Settlement Administrator.

17 (b) Within 14 calendar days after the Class database is provided to the Settlement
18 Administrator, the Settlement Administrator will mail the Notices to the Class
19 Members by First Class United States mail.

20 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
21 the initial Response Deadline shall be resent to the forwarding address, if any, on
22 the returned envelope. A returned Notice will be forwarded by the Settlement
23 Administrator any time that a forwarding address is provided with the returned
24 mail. If there is no forwarding address, the Settlement Administrator will do a
25 computer search for a new address using the Class Member's social security
26 number or other information. In any instance where a Notice is re-mailed, that
27 Class Member will have until the extended Response Deadline as described above.
28 A letter prepared by the Settlement Administrator will be included in the re-mailed

1 Notice in that instance, stating the extended Response Deadline if different than the
2 original Response Deadline. Upon completion of these steps by the Settlement
3 Administrator, Defendant and the Settlement Administrator shall be deemed to
4 have satisfied their obligations to provide the Notice to the affected Class Member.
5 The affected Class Member shall remain a member of the Settlement Class and
6 shall be bound by all the terms of the Settlement and the Court's Order and Final
7 Judgment.

8 (d) Class Counsel shall provide to the Court, at least five calendar days prior to the
9 final approval hearing, or such other date as set by the Court, a declaration by the
10 Settlement Administrator of due diligence and confirming mailing of the Notices.

11 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

12 33. As set forth above, each Class Member will have until the expiration of the applicable
13 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class
14 Member's Covered Workweek information on the Notice. No disputes will be honored if they are
15 submitted after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute.
16 Each Class Member is responsible to maintain a copy of any documents sent to the Settlement
17 Administrator and a record of proof of mailing.

18 34. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
19 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and
20 PAGA Payments may be combined into one check. Settlement Payment checks shall remain valid and
21 negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will
22 automatically be cancelled by the Settlement Administrator if they are not cashed by the Class Member
23 within that time, and the Class Member's relevant claims will remain released by the Settlement.
24 Settlement Payment checks which have expired will not be reissued.

25 35. Funds from uncashed or abandoned Settlement Payment checks, based on a 180-day void
26 date, shall be transmitted to the California State Controller's Office for Unclaimed Property in the name of
27 each Class Member who failed to cash their Settlement Payment check prior to the void date.

28 36. Upon completion of its calculation of Settlement Payments, the Settlement Administrator

1 shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to
2 be made to Class Members (to be identified anonymously by employee number or other identifier). A
3 Declaration attesting to completion of all payment obligations will be provided to Class Counsel and
4 Defendant's Counsel and filed with the Court by Class Counsel.

5 **RELEASE BY THE CLASS**

6 37. Upon the final approval by the Court of this Settlement and Defendant's payment of all
7 sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this
8 Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid
9 and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- 10 (a) **Identity of Released Parties.** The released parties are Defendant and any parent,
11 subsidiary, affiliate, predecessor or successor, and all agents, employees (current
12 and former), officers, directors, insurers and attorneys (collectively "Releasees").
- 13 (b) **Date Release Becomes Effective.** The Released Claims will be released upon the
14 later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's
15 obligation to provide to the Settlement Administrator a sum in the amount required
16 to satisfy all required payments and distributions pursuant to this Settlement and
17 the Order and Judgment of final approval. Class Members will not release the
18 Released Claims or Released PAGA Claims until both the Effective Date of the
19 Settlement has occurred, **and** Defendant has paid all amounts owing under the
20 Settlement.
- 21 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
22 himself and each of their heirs, assigns and successors, unless he or she has
23 submitted a timely and valid Request for Exclusion (which will not effectuate an
24 opt-out from the release of Released PAGA Claims), hereby releases Releasees
25 from the following claims for the entire Class Period:
- 26 1) any and all claims stated in the Plaintiff's First Amended Complaint, or
27 that could have been stated based on the facts alleged in the First
28 Amended Complaint, including but not limited to state wage and hour

claims (including all claims under the California Labor Code and Industrial Welfare Commission Wage Orders) for unpaid wages, minimum wage, overtime, meal periods, rest periods, wage statement violations, interest, penalties, and attorney's fees, waiting time penalties, withholding from wages and the related provisions of the California Labor Code and violations of California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, et seq.) ("Released Claims"),

2) as to any Class Member who cashes their Settlement Payment, the signing and negotiation of that check shall serve as the Class Member's consent to join the action for purposes of releasing claims arising under the Fair Labor Standards Act that are related to the claims stated in the Complaint, implicitly or explicitly; and,

3) in addition, as to *all* Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Plaintiff's administrative exhaustion letter submitted to the LWDA (**Exhibit A**) and the First Amended Complaint in this matter (i.e., the Released PAGA Claims).

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

38. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class and PAGA Representative Action Settlement, the Parties shall apply to the Court for the entry of an order:

- (a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class Representative's service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Certifying a Class;

- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice;
- (e) Preliminarily approving the Settlement, including Class and PAGA claims, subject only to the objections of Class Members as to the Class Settlement and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing Simpluris Inc. as the Settlement Administrator, and order the Settlement Administrator to issue Notices as outlined above.

39. Defendant and its their counsel agree to cooperate to obtain approval of the Settlement, pursuant to the terms set forth herein.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

40. In conjunction with the hearing of a motion for final approval by the Court of the Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for review and approval and then submit to the Court a proposed final order and judgment containing provisions sufficient to accomplish the following:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- (c) Approving the Service Payment to the Class Representative;
- (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement.
- (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final Settlement Class for the purpose of entering into and implementing the Agreement;
- (f) Entering a final judgment in the action as to all PAGA and Class Claims and related issues;
- (g) Adjudging that notwithstanding the submission of a timely request for exclusion, Class Members are still bound by the settlement and release of the Released PAGA

1 Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46
2 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do not apply to
3 the Released PAGA Claims, and further affirms that the State's claims for civil
4 penalties pursuant to PAGA are also extinguished;

- 5 (h) Directing the posting of the settlement documents provided in Paragraph 30 and
6 final judgment on a website maintained by the Settlement Administrator for a
7 period of not less than 90 calendar days after entry of final judgment.

8 Any revised final judgments will also be provided to Defendant's Counsel for review and approval before
9 they are submitted to the Court.

10 **NULLIFICATION AND TERMINATION**

11 41. This Settlement will be null and void if any of the following occur: (a) the Court should for
12 any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to
13 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than
14 adjustments made to the attorney's fees and costs or granting of Service Payment or settlement money
15 distribution terms; (c) the Court should for any reason fail to enter the final judgment; (d) the final
16 judgment is reversed, modified, or declared or rendered void; or (e) the Settlement does not become final
17 for any other reason.

18 42. If 40% or more of the Class Members opt out of this Settlement, then Defendant in its sole
19 discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide
20 Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no
21 less frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's
22 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than five (5)
23 days prior to the date of the Final Approval Hearing. If this option is exercised by Defendant, Defendant
24 shall be solely responsible for the costs incurred by the Settlement Administrator for the settlement
25 administration.

26 43. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
27 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
28 proceedings shall have any force or effect and no party shall be bound by any of its terms, and (iii) all

1 Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been
2 neither entered into nor filed with the Court.

3 **PARTIES' AUTHORITY**

4 44. The signatories hereto hereby represent that they are fully authorized to enter into this
5 Settlement and bind the Parties hereto to the terms and conditions thereof.

6 **MUTUAL FULL COOPERATION**

7 45. The Parties agree to fully cooperate with each other to accomplish the terms of this
8 Settlement including, but not limited to, execution of such documents and taking such other action as
9 reasonably may be necessary to implement the terms of this Settlement. The Parties to this Settlement
10 shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that
11 may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set
12 forth herein. As soon as practicable after execution of this Settlement, Class Counsel shall, with the
13 assistance and cooperation of Defendant and Defendant's Counsel, take all necessary steps to secure the
14 Court's preliminary and final approval of this Settlement.

15 **NO PRIOR ASSIGNMENTS**

16 46. The Parties and their respective counsel represent, covenant, and warrant that they have not
17 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
18 any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein
19 released and discharged except as set forth herein.

20 **NO ADMISSION OF LIABILITY**

21 47. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
22 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant.
23 Defendant denies all the claims and contentions alleged by the Plaintiff in this case. The Defendant has
24 entered into this Settlement solely with the intention to avoid further disputes and litigation with the
25 attendant inconvenience and expenses.

26 **ENFORCEMENT ACTIONS**

27 48. The Parties agree that following entry of the Final Approval Order and Judgment, this
28 Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing

jurisdiction of the Action over all parties and the Class Members to interpret and enforce the terms, conditions, and obligations of the Agreement pursuant to California Code of Civil Procedure section 664.6. In the event that one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees incurred in connection with any enforcement actions.

NOTICES

49. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

Lilit Tunyan
ltunyan@tunyanlaw.com
 Artur Tunyan
atunyan@tunyanlaw.com
TUNYAN LAW, APC
 535 N. Brand Blvd., Suite 285
 Glendale, California 91203
 Telephone: (323) 410-5050

Counsel for Defendant:

Jeffery C. Long
jeffery.long@llg-law.com
 Teresa M. Boyd
teresa.boyd@llg-law.com
 Shawn C. Loorz
shawn.loorz@llg-law.com
LEVANGIE LAW GROUP
 2969 Prospect Park Drive, Suite 125
 Rancho Cordova, California 95670
 Telephone: (916) 443-4849
 Facsimile: (916) 443-4855

CONSTRUCTION

50. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties, and this Settlement shall not be construed in favor of or against any party by reason of the extent to which any party or his, her or its counsel participated in the drafting of this Settlement.

CAPTIONS AND INTERPRETATIONS

51. Paragraph titles or captions contained herein are inserted as a matter of convenience and

1 for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision
2 hereof. Each term of this Settlement is contractual and not merely a recital.

3 **MODIFICATION**

4 52. This Settlement may not be changed, altered, or modified, except in writing and signed by
5 the Parties hereto, and approved by the Court. This Settlement may not be discharged except by
6 performance in accordance with its terms or by a writing signed by the Parties hereto.

7 **INTEGRATION CLAUSE**

8 53. This Settlement contains the entire agreement between the Parties relating to the
9 Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
10 understandings, representations, and statements, whether oral or written and whether by a party or such
11 party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

12 **WAIVER OF APPEALS**

13 54. The Parties agree to waive appeals and to stipulate to class certification for purposes of
14 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
15 amount awarded as attorney's fees.

16 **BINDING ON ASSIGNS**

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

19 **CLASS COUNSEL SIGNATORIES**

20 56. It is agreed that because the members of the Class are so numerous, it is impossible or
21 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
22 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
23 have the same force and effect as if this Settlement were executed by each member of the Class.

24 **COUNTERPARTS**

25 57. This Settlement may be executed in counterparts and by electronic or facsimile signatures,
26 and when each party has signed and delivered at least one such counterpart, each counterpart shall be
27 deemed an original, and, when taken together with other signed counterparts, shall constitute one
28 Settlement, which shall be binding upon and effective as to all Parties.

CONFIDENTIALITY & PUBLIC COMMENT

58. The Class Representative and Class Counsel shall only disclose matters of public record other than to Class Members, who may receive information about the Settlement that is not in the public record after the Court has preliminarily approved the Settlement. Other than as to Class Members or as expressly allowed below, the Parties and attorneys will keep the settlement confidential until the filing of the motion for preliminary approval of the class settlement. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms of the Settlement, other than in court filings. Prior to preliminary approval, the Class Representative is prohibited from discussing the terms or the fact of the settlement with third parties other than (1) a spouse, (2) accountants or lawyers as necessary for tax purposes, or (3) Class Members.

FINAL JUDGMENT

59. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety. The final judgment may be included in the Order granting Final Approval of the Settlement.

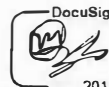
IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

IT IS SO STIPULATED.

Plaintiff & Class Representatives:

Dated: 12/20/2023 | 12:02 PM PST

By:

DocuSigned by:

20116389434

URIEL OREGEL

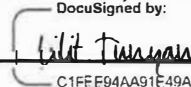
Plaintiff's Counsel:

Dated: 12/20/2023 | 12:03 PM PST

TUNYAN LAW, APC

DocuSigned by:

By:


C1FEF94AA91F49A

Lilit Tunyan
Artur Tunyan

Attorneys for Plaintiff URIEL OREGEL

1 Defendant:

2 Dated:

DIABLO RANGE FRAMING, INC.

3
4 By: La Ann Everitt
5 Print Name

6 [Signature]
7 Signature

8 Chief Financial Officer
9 Title

10 Defendant's Counsel:

11 Dated: 1/19/24

12 LEVANGIS LAW GROUP

13 [Signature]
Jeffery C. Long
Teresa M. Boyd
Shawn C. Looz

14 Attorneys for Defendant
15 DIABLO RANGE FRAMING, INC.

Exhibit “A”



TUNYAN LAW

Lilit Tunyan, Esq.
1336 Rossmoyne Avenue,
Glendale, CA 91207
Tel: (323) 410-5050
ltunyan@tunyanlaw.com

March 28, 2023

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL

Return Receipt Requested

Agent for Service of Process for
Diablo Range Framing, Inc.
Matthew Ellison
160 B Guthrie Lane Suite 13
Brentwood, CA 94513

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

Re: *Uriel Oregel v. Diablo Range Framing, Inc.*

To Whom It May Concern:

Please be advised that my office has been retained by Uriel Oregel ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer Diablo Range Framing, Inc. ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which Plaintiff alleges Defendant engaged in with respect to Plaintiff and all of Defendant's aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of himself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt

employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Contra Costa County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiff worked for Defendant as a laborer from approximately 2013 to December 22, 2022, primarily in Contra Costa County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and between 8 to 10 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

In *Oliver v. Konica Minolta Business Solutions U.S.A., Inc.* (2020) 51 Cal.App.5th, the California Court of Appeal held that service technicians who used their personal vehicles to carry supplies and tools to and from customer locations “may” be entitled to compensation for their time driving from home to their first customer site in the morning and back to their home from their last customer site in the afternoon/evening, as well as mileage reimbursement.

Throughout the time period involved in this case, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all hours worked (including minimum wages, straight time wages and overtime wages). Defendant regularly used a system of time rounding in a manner that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendant's operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Accordingly, Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Some of this unpaid work also should have been paid at the overtime rate. Throughout the statutory period, Defendant failed to maintain accurate time records and falsified Plaintiff's and the Aggrieved Employees' time records. Plaintiff and the Aggrieved employees were only required to input their scheduled start time on a handwritten paper timesheet. Plaintiff's and the Aggrieved Employees' scheduled shift end time as well as meal period scheduled start and end times were inputted by Plaintiff's and the Aggrieved Employees' supervisors or Defendant's secretary, as opposed to Plaintiff and the Aggrieved Employees clocking in and out electronically or recording their actual time on a handwritten timesheet. Defendant refused to permit Plaintiff and the Aggrieved Employees to personally record their actual time, and while recording Plaintiff's and the Aggrieved Employees time, falsified the time records by inputting not more than scheduled 8 hours in a single day, despite the fact that Plaintiff and the Aggrieved Employees regularly worked in excess of 8 hours per day, depriving Plaintiff and the Aggrieved Employees of wages, including overtime wages. In doing so, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. Throughout the statutory period, Defendant also maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to perform work "off-the-clock". Approximately from April 2020 to May 2022 Defendant required Plaintiff and the Aggrieved Employees to arrive earlier than their scheduled shift to undergo COVID pre-screening and to sanitize their hands prior to clocking in to work but refused to pay for that time. Additionally, Defendant failed to reimburse Plaintiff and the Aggrieved Employees for the commute time to their jobsites as Plaintiff and the Aggrieved Employees were required to take the tools or materials necessary for their work home and take them back to the jobsite next day, and they were required to carry these tools and materials in their vehicles and were prevented from using the commute for their own purposes. Defendant also failed to compensate Plaintiff and the Aggrieved Employees for the commute to the jobsites which were longer than their normal commute. In maintaining a practice of not paying all wages owed, Defendant failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiffs and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Plaintiffs and the Aggrieved Employees would often times miss their meal periods, have interrupted or short meal periods. In those occasions when Plaintiffs and the Aggrieved Employees had an opportunity to take their first meal periods, Defendant wrongfully required Plaintiffs and the Aggrieved employees to combine their 30-minute first meal periods with their first rest periods and have one 45- minute combined meal and rest break instead of taking separate meal periods and separate rest periods. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiffs and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is

entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiffs and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant did not schedule rest periods every 4 hours or a major fraction. Instead, Defendant wrongfully required Plaintiffs and the Aggrieved employees to combine their 30-minute first meal periods with their first rest periods and to take combined one 45-minute first meal and rest break instead of taking separate meal periods and separate rest periods. Plaintiffs and the Aggrieved Employees have never been authorized and taken their second and third rest periods. Accordingly, Defendant's policy and practice was for Plaintiffs and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Throughout the statutory period, Defendant failed to maintain accurate time records and falsified Plaintiff's and the Aggrieved Employees' time records. Plaintiff and the Aggrieved employees were only required to input their scheduled start time on a handwritten paper timesheet. Plaintiff's and the Aggrieved Employees' scheduled shift end time as well as meal period scheduled start and end times were inputted by Plaintiff's and the Aggrieved Employees' supervisors or Defendant's secretary, as opposed to Plaintiff and the Aggrieved Employees clocking in and out electronically or recording their actual time on a handwritten timesheet. Defendant refused to permit Plaintiff and the Aggrieved Employees to personally record their actual time, and while recording Plaintiff's and the Aggrieved Employees time falsified the time records by inputting not more than scheduled 8 hours in a single day, despite the fact that Plaintiff and the Aggrieved Employees regularly worked in excess of 8 hours per day, depriving Plaintiff and the Aggrieved Employees of wages, including overtime wages.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement. Defendant required Plaintiff and the Aggrieved Employees to purchase

tools and materials necessary to perform their work but failed to reimburse for those tools. In those occasions when Defendant provided those tools to Plaintiff and the Aggrieved Employees, Defendant wrongfully deducted the costs of those tools and materials from Plaintiff's wages. Plaintiff also failed to reimburse Plaintiff and the Aggrieved Employees for personal cell phone usage as Plaintiff and the Aggrieved Employees used their personal cell phones to call and receive work related calls and text messages from their supervisors and Defendant's secretary regarding work assignments. Additionally, Defendant failed to reimburse Plaintiff and the Aggrieved Employees for the mileage when they used their personal vehicles to drive to the jobsites as Plaintiff and the Aggrieved Employees were required to take the tools or materials necessary for their work home and take them back to the jobsite next day, and they were required to carry these tools and materials in their vehicles and were prevented from using the commute for their own purposes.

incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant have failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. Lab. Code § 226(e)(2)(B)(iii).

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” Lab. Code § 226(e)(1).

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to state the pay period beginning date, failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked. Moreover, during some pay periods Defendant failed to state the hourly rate, the total hours worked, the pay period beginning and end date in the wage statements at all.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Lab. Code § 204(a). The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period. Lab. Code § 204(d).

Throughout the statute of limitations period applicable to this cause of action, employees were also entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Provide Paid Sick Leave and Written Notice of Available Paid Sick Leave

Labor Code § 246 (a) an employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days.

Labor Code § 246 (i) requires employers to provide an employee with written notice that sets forth the amount of paid sick leave available.

During the statutory period, Defendant maintained a policy and practice of failing to provide Plaintiff and the Aggrieved Employees with the paid sick leave as well as to provide a written notice of accrued paid sick leave. On information and belief, Defendants' failure to provide an employee with written notice that sets forth the amount of paid sick leave available was not a single, isolated incident, but was instead part of Defendant's policy and practice that applied to the Aggrieved Employees.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to provide any information on accrued sick leave.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 204 by failing to pay all earned wages two times per month.
9. Labor Code § 246 by failing to provide paid sick leave and written notice of available paid sick leave.

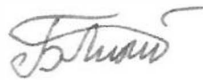
Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address and address of the agent for service, as indicated on the first page.

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of Defendant or any additional facts, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "L. Tunyan".

Lilit Tunyan, Esq.
Partner
TUNYAN LAW, APC

Exhibit “B”

NOTICE OF PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT

Oregel v. Diablo Range Framing, Inc.
 Contra Costa County Superior Court Case No. C23-00697

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE A NON-EXEMPT EMPLOYEE OF DIABLO RANGE FRAMING, INC. ("DEFENDANT") WHO WORKED IN CALIFORNIA AT ANY TIME BETWEEN MARCH 29, 2019 AND - ----- (THE "CLASS PERIOD"), THIS PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in a class and PAGA action lawsuit entitled *Oregel v. Diablo Range Framing, Inc.*, Contra Costa County Superior Court Case No. C23-00697 (the "Action"). The purpose of this Notice of Proposed Class and Private Attorneys General Act of 2004 ("PAGA") Representative Action Settlement ("Notice") is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Complaint.

YOUR ESTIMATED PAYMENT FROM THIS SETTLEMENT: Your estimated Individual Settlement Payment is <<Estimated Payment>>, which includes your payment from the Class settlement in the estimated amount of <<Estimated Individual Settlement Class Payment>> and, because you [ARE/ARE NOT] also a member of the PAGA Employee group, your payment from the PAGA settlement in the estimated amount of <<Estimated Individual PAGA Settlement Payment>>.

A hearing concerning final approval of the proposed Settlement will be held before Hon. Charles S Treat on <<FA DATE>>, at <<FA TIME>>, in Department 12 of Contra Costa County Superior Court, 725 Court Street, Martinez, California 94553, to determine whether the Settlement is fair, adequate and reasonable. As a Settlement Class Member, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered a "Settlement Class Member" in the Settlement and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT. DEADLINE TO EXCLUDE YOURSELF: <<RESPONSE DEADLINE>>	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by completing and submitting the request to be excluded. As a result, you will not receive any benefits under the Settlement (other than based on the PAGA Claim). Request for Exclusion forms must be submitted by <<RESPONSE DEADLINE>>.
OBJECT TO THE SETTLEMENT. DEADLINE TO SUBMIT WRITTEN OBJECTIONS: <<RESPONSE DEADLINE>>	To object to the Settlement, you may mail a written explanation of why you don't like the Settlement to the Settlement Administrator by submitting the objection in writing, appear at the Final Approval Hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a request for exclusion if you wish to object. <i>Written</i> objections must be submitted by <<RESPONSE DEADLINE>>.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All non-exempt employees of Defendant who worked in California during the Class Period. The “Class Period” is March 29, 2019 through -----.

According to Defendant’s records, you are a member of the settlement class (“Class Member”). PAGA Employees will automatically receive their *pro rata* share of the \$7,500 allocated from the PAGA Allocation to PAGA Employees, cannot opt-out of the release of PAGA Claims, and will be bound by the release of the PAGA Claims even if they opt-out of the Settlement. Defendant’s records indicate you [ARE/ARE NOT] also a PAGA Employee who worked in the State of California at any time during the PAGA Period of March 29, 2022 through -----.

What is this case about?

In the Action, Plaintiff Uriel Oregel (“Plaintiff”) alleges on behalf of himself and the Class that Defendant: (1) failed to pay all wages; (2) failed to provide meal periods; (3) failed to authorize and permit rest periods; (4) failed to timely pay all wages at termination; (5) failed to furnish accurate itemized wage statements; (6) violated California’s Unfair Competition Law, California Business and Professions Code § 17200 *et seq.*; and (7) violated provisions of the Labor Code giving rise to civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*]. Plaintiff seeks unpaid wages, actual, consequential and incidental losses and damages, special damages, liquidated damages, injunctive relief, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

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Artur Tunyan

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Facsimile: (916) 443-4855

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$220,000 (the “Gross Settlement Amount”) for: (a) Individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff in the amount of \$7,000; (c) the Court-approved attorney’s fees and costs to Class Counsel (“Class Counsel’s Fees and Expenses”) (\$73,333.33 in fees and up to \$15,000.00 in costs to be requested); (d) payment to the Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (the “PAGA Penalty Payment”) (\$22,500 of a total of \$30,000.00 allocated to the PAGA settlement); and (e) payment to the

Settlement Administrator for settlement administration services (“Administrative Expenses”) (estimated to be no more than \$-----).

Individual Settlement Payments. Class Members who do not timely and properly request to be excluded from the Settlement (the “Settlement Class Members”) will receive a share of the Net Settlement Amount, and Class Members who are also PAGA Employees will receive a share of the \$7,500 from the PAGA Settlement allocated to PAGA Employees (the “PAGA Settlement Payment”), regardless of whether the request exclusion from the Settlement (the total payment to a Class Member is their “Individual Settlement Payment”).

The “Net Settlement Amount” will be calculated by deducting from the Gross Settlement Amount the Class Counsel’s Fees and Expenses, the Class Representative’s Service Payment, the PAGA Penalty Payment, and the Administrative Expenses. Payments by Defendant from the Net Settlement Amount will be included in the Settlement Payments to each Settlement Class Member (the “Settlement Class Payments”) and each PAGA Employee (the “PAGA Settlement Payments”).

The Settlement Class Payment shall be divided among all Settlement Class Members on a *pro rata* basis based upon the total number of work weeks worked by each Settlement Class Member during the Class Period. The portion of the Net Settlement Amount paid to a Settlement Class Member = Net Settlement Amount (minus \$7,500 set aside for all PAGA Settlement Payment) × the work weeks worked by a Settlement Class Member ÷ the work weeks worked by all Settlement Class Members.

The PAGA Settlement Payment shall be divided among all PAGA Employees on a *pro rata* basis based upon the total number of pay periods worked by each PAGA Employee during the PAGA Period. The portion of the PAGA Settlement Payment paid to a PAGA Employee = \$7,500 × the pay periods worked by a PAGA Employee (during the PAGA Period) ÷ the pay periods worked by all PAGA Employees (during the PAGA Period).

Your estimated Individual Settlement Payment is <<**Estimated Settlement Payment**>> and the number of work weeks you worked during the Class Period based on your hire and/or termination dates is <<**Work Weeks**>>. You may seek to dispute the number of your workweeks. Such challenges must: (i) be in writing; (ii) state your full name; (iii) include a statement that you are seeking to challenge your estimated Individual Settlement Payment set forth in this Class Notice; (iv) state the number of work weeks you believe you have worked during the Class Period; and (v) be mailed to the Settlement Administrator with a postmark date on or before <<**RESPONSE DEADLINE**>> (the “Response Deadline”) at:

You must produce documentary evidence supporting your contention. Defendant’s records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator and the Parties will attempt to resolve all work week disputes with you informally. If they cannot resolve your work week dispute with you informally, the dispute will be submitted by the Parties to the Court for final resolution. **REMINDER:** If you believe your estimated Settlement Payment is incorrect because your work weeks (the number of weeks you worked within the Class Period) are wrong, your deadline to dispute this is <<**RESPONSE DEADLINE**>>.

For tax reporting purposes, the payments to Class Members will be allocated 20 as wages, 40% as penalties and 40% as interest. All PAGA Settlement Payments will be allocated as 100% penalties. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the Individual Settlement Payments. The portion of the Individual Settlement Payments allocated as civil penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC if required by governing tax laws. Any taxes owed on that other miscellaneous income will be the responsibility of Class Members receiving those payments. The employer’s share of any payroll taxes will be separately paid by Defendant.

All checks for Individual Settlement Payments paid to Class Members will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not claimed or negotiated by a Class Member within that time. Any Individual Settlement Payment that is not claimed or negotiated by a Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller’s Office to be held as unclaimed property in the name of each check recipient who is the payee of the check. In such event, the Settlement Class Members and PAGA Employees shall nevertheless remain bound by the Settlement.

The "Effective Date" of the Settlement means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

Payments to Settlement Class Members and PAGA Employees will issue only AFTER the payment by Defendant of the Gross Settlement Amount.

PLEASE BE PATIENT AND UPDATE THE SETTLEMENT ADMINISTRATOR WITH YOUR NEW ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE OR YOU RECEIVED THIS NOTICE AS FORWARDED MAIL.

None of the Parties or their attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel's Fees and Expenses, the Class Representative Service Payment, Administrative Expenses, the PAGA LWDA Payment. Class Counsel will ask the Court to award attorney's fees up to \$73,333.33 (one third) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$15,000. In addition, Class Counsel will ask the Court to authorize Class Representative Service Payment made to Plaintiff in the amount of \$7,000, for his efforts in bringing the Action on behalf of the Class and general release of his all claims. The Parties estimate the cost of administering the Settlement will not exceed \$------. The PAGA Penalty Payment in the amount of \$22,500 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$30,000 PAGA Allocation.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) Identity of Released Parties. The released parties are Defendant and any parent, subsidiary, affiliate, predecessor or successor, and all agents, employees (current and former), officers, directors, insurers and attorneys (collectively "Releasees").

(b) Date Release Becomes Effective. The Released Claims will be released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, and Defendant has paid all amounts owing under the Settlement.

(c) Claims Released by Settlement Class Members. Each and every Class Member, on behalf of himself and each of their heirs, assigns and successors, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims stated in the Plaintiff's First Amended Complaint, or that could have been stated based on the facts alleged in the First Amended Complaint, including but not limited to state wage and hour claims (including all claims under the California Labor Code and Industrial Welfare Commission Wage Orders) for unpaid wages, minimum wage, overtime, meal periods, rest periods, wage statement violations, interest, penalties, and attorney's fees, waiting time penalties, withholding from wages and the related provisions of the California Labor Code and violations of California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, et seq.) ("Released Claims");

- 2) as to any Class Member who cashes their Settlement Payment, the signing and negotiation of that check shall serve as the Class Member's consent to join the action for purposes of releasing claims arising under the Fair Labor Standards Act that are related to the claims stated in the Complaint, implicitly or explicitly; and,
- 3) in addition, as to all Class Members employed during the Released PAGA Claims Period, whether requesting exclusion from the Settlement or not, claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Plaintiff's administrative exhaustion letter submitted to the LWDA (Settlement Exhibit A) and the First Amended Complaint in this matter (i.e., the Released PAGA Claims).

No Class Member employed during the Released PAGA Claims Period can request exclusion from the settlement of the PAGA Claim. If you are a Class Member, and this Settlement is approved, you will release the PAGA Claim even if you timely and properly submit a Request for Exclusion form. The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash their PAGA Payment Check.

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class and receiving settlement monies to resolve your class claims, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way and you have selected to remain in the Class, you can ask the Court to deny approval of the Settlement by submitting an objection. You can't object to the release of the PAGA Claim or object to the PAGA Settlement Payment. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no additional settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object.

You may object to the Settlement in writing or by appearing at the Final Approval Hearing, either in-person or through your attorney. If you appear through your own attorney, you are responsible for paying that attorney. You may appear and orally object regardless of whether you submitted a written objection. Written objections should be sent to the Settlement Administrator at -----, ----- . The written objection in any form should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; (4) the case and number (*Oregel v. Diablo Range Framing, Inc.*, Contra Costa County Superior Court Case No. C23-00697); and (5) be postmarked on or before **<<RESPONSE DEADLINE>>** and submitted to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the Final Approval Hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.** If you submit a written objection and then request exclusion from, and opt out of, the Class Settlement, you would be deemed to have waived your objection.

If you wish to attend the Final Approval Hearing telephonically, schedule a telephonic appearance via CourtCall, call 1-888-882-6878 or appear at the hearing remotely via Zoom using the Zoom link provided in the court's website at <https://www.cc-courts.org/calendars/court-calendars.aspx>. You will need to use the Case Number for this case (C23-00697) and the Court Department and name of the Judge (Department 12, Hon. Charles S Treat).

If you wish to attend the Final Approval Hearing in person, you can attend it at Contra County Superior Court, 725 Court Street, Martinez, California 94553.

Regardless of the form, an objection, alone will not satisfy the requirement that a Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Class and Receive No Money from the Class Action Portion of the Settlement (PAGA Employees Still Will Receive Their Share of the PAGA Employee Payment). You may not seek exclusion from the PAGA portion of this Settlement. However, if you do not want to be part of the Class Settlement, you must complete and return the request for exclusion form to the Settlement Administrator at ----- . In order to be valid, your request for exclusion form must be signed and include your name, address, telephone number, the last four digits of your social security number or Employee ID (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement). If you do not have a social security number and do not know your Employee ID, please contact the Settlement Administrator to arrange for an alternate method of confirming your identity.

Your Request for Exclusion form (to remove you from the Class Settlement) must postmarked on or before <<RESPONSE DEADLINE>>. If you do not submit a Request for Exclusion form on time (as evidenced by the postmark), your request to be excluded from the Settlement will be rejected, you will be deemed a Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a Request for Exclusion form by the deadline to request exclusion, you will have no further role in the Action as it relates to the Class claims. You will not be able to complain to the Court about any aspect of the Class Settlement and any written objection to the Class Settlement would not be considered valid. **You will not be entitled to any benefit, including money**, as a result of the Action and Settlement, except for any payment you may be receive from the PAGA portion of this Settlement.

IMPORTANT: DO NOT SUBMIT A REQUEST FOR EXCLUSION FORM IF YOU WISH TO BE INCLUDED IN THE CLASS SETTLEMENT AND RECEIVE YOUR SHARE OF THE MONEY AVAILABLE TO YOU AS PART OF THE SETTLEMENT.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's Fees and Expenses, the Class Representative Service Payment, the Administrative Expenses, and the PAGA Allocation on <<FINAL APPROVAL HEARING DATE & TIME>>, in Department 12 of the Contra Costa County Superior Court, 725 Court Street, Martinez, California 94553. As described above, if you wish to attend the Final Approval Hearing telephonically, schedule a telephonic appearance via CourtCall, call 1-888-882-6878 or appear at the hearing remotely via Zoom using the Zoom link provided in the court's website at <https://www.cc-courts.org/calendars/court-calendars.aspx>. You will need to use the Case Number for this case (C23-00697) and the Court Department and name of the Judge (Department 12, Hon. Charles S Treat). If you wish to attend the Final Approval Hearing in person, you can attend it at Contra County Superior Court, 725 Court Street, Martinez, California 94553. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment, the First Amended Complaint, the Settlement Agreement will be posted on a website by the Settlement Administrator for a period of at least 90 days following the entry of that Order in the Court record. That website is: <<website>>.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class and PAGA Representative Action Settlement attached to the Declaration of Lilit Tunyan in Support of Plaintiff's Motion for Preliminary Approval. The Joint Stipulation of Class and PAGA Representative Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Contra Costa County Superior Court. Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel by using the contact information in this notice.

You may also view documents filed in this case, including the complete Settlement and case documents, on the Court's website at: <https://odyportal.cc-courts.org/Portal/Home/Dashboard/29>. You may need the case number to access and view case documents (C23-00697) NOTE: If you choose to access documents online, the Court will charge you a fee for access. Class Counsel can provide you with copies of the settlement documents at no charge.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.