

MEMORANDUM OF UNDERSTANDING

1. Subject to court-approval by the Sacramento County Superior Court (“Court”), and with the provision that this Memorandum of Understanding (“MOU”) will be further memorialized in a formal written agreement to be called a Class Action and PAGA Settlement Agreement, Plaintiff Jose Norberto Perez-Garcia (“Plaintiff”) and Defendant Generations Painting Group (“Defendant”) (collectively, the “Parties”), hereby agree to the following binding settlement (“Settlement”) of the lawsuits entitled *Jose Norberto Perez-Garcia v. Generations Painting Group*, Case Nos. 24CV000037 (“Class Action”), 24CV009197 (“PAGA Action”) (Sacramento County Superior Court).

2. **Settlement Class Members:** All non-exempt, hourly individuals that worked for Defendant in California during the Settlement Class Period. Defendant estimates that this includes 171 Class Members at the time of mediation.

3. **Settlement Class Period:** The period covered by the Settlement is July 8, 2019 to April 6, 2025 or the date the Court enters preliminary approval, whichever comes first (“Settlement Class Period”).

4. **Settlement Consideration:** Defendant is obligated to pay a Gross Settlement Amount of \$525,000.00 (“Gross Settlement Amount” or “GSA”), inclusive of payments to Class Members who do not opt out of the settlement, Plaintiff’s Enhancement Award, Class Counsel’s Fees and Costs, Settlement Administrator’s Costs, and the PAGA Penalties settlement amount. As to that portion of Class Members’ settlement payments that constitutes wages, any employer taxes, including the employer FICA, FUTA, and SDI contributions, shall be paid separately from the GSA.

5. **Escalator:** The GSA was calculated based on the estimate that 171 Class Members worked a total of 15,884 workweeks during the Class Period. If the total number of workweeks increases by more than 10% (i.e. an increase of more than 1,588 workweeks) then the GSA will be increased proportionally by the number of workweeks worked in excess of 10%. For example, if the final number of total workweeks increases by 11% (which would be to 17,631 workweeks), the GSA will increase by 1%. In the alternative, Defendant may elect to shorten the release period end date to stay within the 10% cushion.

6. **Enhancement Award:** Defendant will not oppose Plaintiff’s application to the Court for Enhancement Award of up to Ten Thousand Dollars (\$10,000.00) (“Enhancement Award”) to be paid out of the Gross Settlement Amount, in addition to Plaintiff’s Individual Settlement Payment. Plaintiff shall be required to execute a general release and 1542 waiver.

7. **Class Counsel’s Fees and Costs:** Defendant will not oppose an application to the Court for attorneys’ fees payable to Wilshire Law Firm, PLC (“Class Counsel”) in the amount of 1/3 of the Gross Settlement Amount, which is currently \$175,000.00, (“Class Counsel’s Fees”), plus reimbursement for reasonable costs and expenses incurred (“Class Counsel’s Costs”).

8. **Payment to the California Labor and Workforce Development Agency (“LWDA”):** The Parties agree that a payment of \$30,000.00 (“PAGA Penalties”) from the GSA shall be allocated to the resolution of any Class Member claims arising under the California Labor Code Private Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*, “PAGA”). Pursuant to PAGA, 75% of the PAGA Penalties payment shall be paid to the LWDA, and 25% of the PAGA Penalties payment shall be paid pro-rata by pay periods to all Class Members who worked from March 5, 2023 to April 6, 2025 or the date the Court enters preliminary approval, whichever comes first (“Aggrieved Employees”).

9. **Settlement Administration Fees and Costs:** The Parties agree to pay a Settlement Administrator chosen by Class Counsel and approved by Defendant for its reasonable fees and expenses related to administering this Settlement.

10. **Class Member Distribution Formula:** There will be no claims process and no reversion. Rather, all Class Members who do not opt out will receive a check for their shares of the settlement fund. After deducting the Enhancement Award, Class Counsel's Fees and Costs, the PAGA Penalties payment, and the Settlement Administrator's Fees and Costs, the balance of the GSA (the "Net Settlement Amount" or "NSA") will be distributed to Class Members based on number of workweeks each Class Member worked during the Settlement Class Period.

- a. The entire NSA will be disbursed to all Class Members who do not submit timely and valid requests for exclusion.
- b. If there are any valid and timely requests for exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

11. **Treatment of Individual Settlement Payments:** All Individual Settlement Payments will be allocated as follows: twenty (20%) to settlement of wage claims and eighty (80%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator.

12. **Settlement Checks:** Individual Settlement Payment checks will remain valid for a period of 180 calendar days after they issue and shall be cancelled thereafter. Uncashed checks will be transmitted to the California Controller's Unclaimed Property Fund in the name of the employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

13. **Preparation of Settlement Agreement and Approval of Settlement:** The Parties will cooperate to prepare a long form settlement agreement containing the terms of this MOU and other terms to which they mutually agree. Plaintiff's counsel will prepare the first draft of the settlement following the execution of this MOU. Plaintiff's counsel will also prepare the motions for preliminary and final approval of the settlement.

14. **Release by Class Members:** The claims released by Class Members, other than those who submit requests for exclusion (the "Released Class Claims") are all claims, rights, demands, liabilities, and causes of action alleged or which could have reasonably been alleged based on the facts alleged in the operative Class Action Complaint. The Released Class Claims are those that accrued during the Settlement Class Period.

15. **Release by Aggrieved Employees:** The claims released by Aggrieved Employees (the "Released PAGA Claims") are all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative Complaint. The Released PAGA Claims are those that accrued during the period from March 5, 2023 to April 6, 2025 or the date the Court enters preliminary approval, whichever comes first ("PAGA Period"). Plaintiff will release all claims for PAGA penalties asserted in the operative PAGA Action Complaint and the LWDA notice letter.

16. **Binding Agreement:** The Parties intend that this MOU shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the mediation confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Sacramento County Superior Court may enforce this MOU pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

Dated: May 7th, 2025

Generations Painting Group



By: William George
Its: CEO and authorized representative

Dated: 08/12, 2025

PLAINTIFF

Signed by:

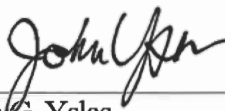


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Jose Norberto Perez-Garcia

AGREED AS TO FORM

Dated: August 11, 2025

Wilshire Law Firm, PLC



John G. Yslas

Dated: _____, 2025

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