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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN BERNARDINO

MARCOS GONZALEZ SOSTENES, as an  
aggrieved employee pursuant to the Private  
Attorneys General Act (“PAGA”), on behalf of  
the State of California and other non-party  
Aggrieved Employees,

Plaintiff,

vs.

LIBERTY LANDSCAPING, INC., a California  
corporation; and DOES 1 through 10, inclusive,  
  
Defendants.

Case No. CIVSB2315903

**PAGA SETTLEMENT AGREEMENT**

## PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of San Bernardino (“Court”), Plaintiff Marcos Gonzales Sostenes (“Plaintiff”) and Defendant Liberty Landscaping, Inc. (“Defendant”) (collectively with Plaintiff, the “Parties”) agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of Plaintiff’s claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

### DEFINITIONS

The following definitions apply to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Sostenes v. Liberty Landscaping, Inc.*, No. CIVSB2315903 (San Bernardino County Superior Court).
2. “Aggrieved Employees” means all persons who were employed by Defendant in California as non-exempt, hourly-paid employees at any time from May 9, 2022 through April 19, 2024.
3. “Court” means the Superior Court for the State of California, County of San Bernardino.
4. “Gross Settlement Amount” means the settlement amount of Three Hundred Forty-Five Thousand Dollars (\$345,000) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action.
5. “LWDA” means the California Labor and Workforce Development Agency.
6. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.
7. “Plaintiff’s Counsel” means Capstone Law APC.
8. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of his employment with Defendant.
9. “Settled Claims” means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period.

10. “Settlement Period” means May 9, 2022 through April 19, 2024.

# TERMS

11. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay Three Hundred Forty-Five Thousand Dollars (\$345,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

12. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

12(a) Settlement Administrator will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

12(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, Settlement Administrator will use the following formula:  

$$\text{Settlement Payment} = 25\% \text{ of PAGA Penalties Fund} \times [\text{Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period} \div \text{Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period}].$$

12(c) Plaintiff has entered into this Settlement based on Defendant’s representation that Aggrieved Employees worked during a combined total

of approximately 11,050 pay periods during the Settlement Period. If the number of pay periods during the Settlement Period is more than 10% greater than 11,050, then Defendant will proportionally increase the Gross Settlement Amount by the number of pay periods above 10% greater than 11,050; e.g., Proportionally Increased Gross Settlement Amount = Total Number of Pay Periods During the Settlement Period ÷ 12,155 pay periods × \$345,000.

13. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than One Hundred Fifteen Thousand Dollars (\$115,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty-Five Thousand Dollars (\$25,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

14. Service Award. For a general release of all claims Plaintiff may have against Defendant arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees, Defendant agrees not to oppose or impede any application or motion by Plaintiff for a service award of up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff will be deemed to have fully released and discharged Defendant from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendant arising out of, or relating to, Plaintiff's employment with Defendant or termination, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any way connected with the matters referred to, whether or not known or suspected to exist, and whether or not specifically or particularly described. Specifically, Plaintiff will be deemed to have waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

1           **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**  
2           **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**  
3           **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF**  
4           **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR**  
5           **HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

6           15.     Plaintiff understands and agrees that this Settlement Agreement shall remain in full force  
7           and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the  
8           Court.

9           16.     Settlement Administration Costs. The Parties will retain CPT Group, Inc. as the third-  
10          party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be  
11          responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate  
12          tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. Settlement  
13          Administration Costs are estimated at Six Thousand Dollars (\$6,000).

14          17.     Court Approval of the Settlement and Distribution of Settlement Payments. The Parties  
15          will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the  
16          Court issue an order and judgment approving and incorporating by reference the terms and conditions of  
17          the Settlement Agreement (the "Order and Judgment").

18          18.     List of Aggrieved Employees. Within fourteen (14) calendar days after entry of the  
19          Order and Judgment, Defendant will provide the Settlement Administrator a complete list of all  
20          Aggrieved Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in  
21          Microsoft Office Excel and will include each Aggrieved Employees full name; most recent mailing  
22          address and telephone number; Social Security number; the respective number of pay periods during  
23          which each Aggrieved Employee worked during the Settlement Period; and any other relevant  
24          information needed to calculate settlement payments.

25          19.     Funding of the Settlement. Within fourteen (14) calendar days after entry of the Order  
26          and Judgment, Defendant will deposit the Gross Settlement Amount into the QSF to be established by  
27          the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the  
28          Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and

1 Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement  
2 Administrator, and not Defendant, will issue the appropriate tax forms for all payments issued under this  
3 Settlement.

4 20. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue  
5 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an  
6 explanatory letter, attached as Exhibit A. Before mailing, the Settlement Administrator will perform a  
7 search based on the National Change of Address Database for information to update and correct for any  
8 known or identifiable address changes. Any checks returned as non-deliverable on or before the check  
9 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address. If no  
10 forwarding address is provided, the Settlement Administrator will promptly attempt to determine the  
11 correct address using a skip-trace, or other search using the name, address or Social Security number of  
12 the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain  
13 negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding 180  
14 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to The  
15 Justice Gap Fund maintained by The State Bar of California. All settlement payments to Aggrieved  
16 Employees will be treated as miscellaneous income for which a 1099 will be issued.

17 21. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved  
18 Employees will be forever barred from pursuing against Defendant any and all Settled Claims during the  
19 Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any  
20 individual wage and hour claims by virtue of this Settlement.

21 22. No Right to Exclusion or Objections by Representative Action Members. Because this  
22 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a  
23 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no  
24 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved  
25 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,  
26 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties  
27 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

28 23. No Credit Toward Benefit Plans. Payments to Aggrieved Employees will not be utilized

to calculate any additional wages or benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to minimum wage, overtime, regular rate, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any wage law or benefit plans.

24. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right released and discharged.

25. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve the Settlement; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

26. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

27. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other previous or contemporaneous written or oral agreements may be deemed binding on the Parties.

28. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, and approved by the Court.

29. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to

1 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each  
2 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to  
3 reach agreement on the form or content of any document needed to implement the Settlement, or on any  
4 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties  
5 may seek the assistance of the Court to resolve such disagreement.

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

8 31. California Law Governs. All terms of this Settlement Agreement will be governed by  
9 and interpreted according to the laws of the State of California.

10 32. Execution and Counterparts. This Settlement Agreement is subject only to the execution  
11 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
12 executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and  
13 scanned copies of the signature pages, will be deemed to be one and the same instrument.

14 33. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
15 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this  
16 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that  
17 they are each represented by competent counsel and that they have had an opportunity to consult with  
18 their counsel regarding the fairness and reasonableness of this Settlement.

19 34. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that  
20 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from  
21 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

22 35. Invalidity of Any Provision. Before declaring any provision of this Settlement  
23 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
24 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement  
25 valid and enforceable.

26 36. Captions. The captions and section numbers in this Settlement Agreement are inserted  
27 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the  
28 provisions of this Settlement Agreement.

37. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

38. Enforcement Action. In the event that one or more of the Parties 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 will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

39. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

40. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

41. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

42. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

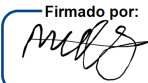
43. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation of, nor any statements, discussions or

communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the above constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. This agreement, however, may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments entered into by the Court.

**READ CAREFULLY BEFORE SIGNING**

**PLAINTIFF**

Dated: 8/28/2024

Firmado por:  
  
Marcos Gonzales Sostenes

**DEFENDANT**

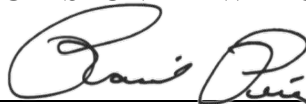
Dated: \_\_\_\_\_

Alejandro Casillas  
Liberty Landscaping, Inc.

**APPROVED AS TO FORM**

**CAPSTONE LAW APC**

Dated: 8/28/24

  
Raul Perez  
Attorneys for Plaintiff Marcos Gonzales Sostenes

**BERGER & WILLIAMS, LLP**

Dated: \_\_\_\_\_

Harvey Berger  
Attorneys for Defendant Liberty Landscaping, Inc.

1 communications, nor any materials prepared, exchanged, issued or used during the pendency of the  
2 Action, is intended by the Parties to, nor will any of the above constitute, be introduced, be used or be  
3 admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or  
4 proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation,  
5 rule or executive order, or any obligation or duty at law or in equity. This agreement, however, may be  
6 used in any proceeding in the Court that has as its purpose the interpretation, implementation, or  
7 enforcement of the Settlement or any orders or judgments entered into by the Court.

8  
9 **READ CAREFULLY BEFORE SIGNING**

10 **PLAINTIFF**

11 Dated: \_\_\_\_\_

\_\_\_\_\_  
Marcos Gonzales Sostenes

13 **DEFENDANT**

14  
15 Dated: 8/26/2024

\_\_\_\_\_  
Alejandro Casillas  
Liberty Landscaping, Inc.

17 **APPROVED AS TO FORM**

18 **CAPSTONE LAW APC**

19  
20 Dated: \_\_\_\_\_

\_\_\_\_\_  
Raul Perez  
Attorneys for Plaintiff Marcos Gonzales Sostenes

22 **BERGER & WILLIAMS, LLP**

23  
24 Dated: 8/26/24

\_\_\_\_\_  
Harvey Berger  
Attorneys for Defendant Liberty Landscaping, Inc.

# Exhibit A

<<DATE>>

<<FIRST\_NAME>> <<LAST\_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Sostenes v. Liberty Landscaping, Inc.*, No. CIVSB2315903  
(San Bernardino County Superior Court)**

Dear <<FIRST\_NAME>> <<LAST\_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Sostenes v. Liberty Landscaping, Inc.*, No. CIVSB2315903 (San Bernardino County Superior Court) (the “Action”).

The Action was filed against Defendant Liberty Landscaping, Inc. (“Defendant”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendant on behalf of the State of California and all allegedly “aggrieved employees” of Defendant. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendant owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendant denies that it violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendant does not admit that it is liable in any way for any penalties.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]