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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

RICARDO ARCINIEGA GONZALEZ,
individually, and on behalf of other members of
the general public similarly situated, and as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"),

Plaintiff,

vs.

SHULTZ STEEL COMPANY, a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Lead Case No. 23STCV09167
Related Case No. 23STCV18306

Assigned to the Hon. Theresa M. Traber

**[PROPOSED] ORDER APPROVING THE
PARTIES' PAGA SETTLEMENT
AGREEMENT AND JUDGMENT**

Date: April 13, 2026
Time: 10:30 a.m.
Place: Department 1

Complaint Filed: April 25, 2023
Trial Date: None Set

**ORDER APPROVING THE PARTIES’
PAGA SETTLEMENT AGREEMENT AND JUDGMENT**

1 The Court has received and considered the application of Plaintiffs Ricardo Arciniega
2
3 Gonzalez and Steven Faustinos as aggrieved employees, and as a private attorney general under the
4 Labor Code Private Attorneys General Act of 2004, §§ 2698, *et seq.* (“PAGA”), for approval of the
5 Parties’ PAGA Settlement Agreement (“Settlement”). **GOOD CAUSE** having been shown, the Court
6 hereby approves the Settlement.

7
8 2. This Order hereby adopts and incorporates by reference the terms and conditions of the
9 Settlement.

10 3. The California Labor Workforce and Development Agency (“LWDA”) has been
11 provided notice of the Settlement in accordance with the California Labor Code Private Attorneys
12 General Act (“PAGA”), California Labor Code § 2699(1)(2), (1)(4). In particular, on the date Plaintiff
13 filed the Motion, Plaintiff submitted to the LWDA a notice of the Settlement enclosing a copy of the
14 Settlement Agreement. Plaintiff’s notice of the Settlement to the LWDA complied with the notice
15 requirements of PAGA.

16 4. The Court finds that it has jurisdiction over the subject matter of the action and over all
17 Parties to the action, including all Aggrieved Employees.

18 5. The Settlement is approved under Labor Code § 2699(1)(2).

19 6. The Court has considered all relevant factors for determining the fairness of the
20 Settlement, and has concluded that all such factors weigh in favor of approving the Settlement. In
21 particular, the Court finds that the Settlement was reached following meaningful discovery and
22 investigation conducted by Plaintiffs; that the Settlement is the result of serious, informed, adversarial,
23 and arm’s-length negotiations between the Parties; and that the terms of the Settlement are in all respects
24 fair, adequate, and reasonable.

25 7. In so finding, the Court has considered all evidence presented, including evidence
26 regarding the strength of Plaintiffs’ PAGA claims; the risk, expense, and complexity of the claims
27 presented; the likely duration of further litigation; the amount offered in settlement; the extent of
28 investigation and discovery completed; and the experience and views of counsel. The Parties have

provided the Court with sufficient information about the nature and magnitude of the claims being settled, as well as the impediments to recovery, to make an independent assessment of the reasonableness of the terms to which the Parties have agreed.

8. Accordingly, the Court hereby finds that the Settlement is, in all respects, fair, reasonable, adequate and hereby directs implementation of all remaining terms, conditions, and provisions of the Settlement.

9. The PAGA Settlement Notice to PAGA Employees, attached as **Exhibit 1** to this Order, fairly and adequately describes the Action, the approved Settlement, and is the best notice practicable under the circumstances.

10. The Court finds that each Aggrieved Employee, in accordance with the Settlement, releases all Settled Claims against the Released Parties.

a. “**Aggrieved Employees**” means all current and former non-exempt, hourly-paid California employees of Defendant who worked any time during the Settlement Period.

b. “**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 Actions with respect to Aggrieved Employees based on the facts alleged in the Actions during the Settlement Period, Plaintiff Gonzalez’s May 31, 2023 and September 1, 2023 notices to the LWDA regarding Defendant’s alleged Labor Code violations, or Plaintiff Faustinos’ July 26, 2023 notice to the LWDA regarding Defendant’s alleged Labor Code violations. These claims include Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, 249, 432, 510, 512(a), 516, 558, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2802, and 2810.5.

11. “**Released Parties**” means Defendant and each of its former and current parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers,

1 and any other successors, assigns, or legal representatives, if any.

2 12. The Settlement is not an admission by Defendant, nor is this Order and Judgment a
3 finding of the validity of any allegations or of any wrongdoing by Defendant. Neither this Order and
4 Judgment, the Settlement, nor any document referred to herein, nor any action taken to carry out the
5 Settlement, may be construed as, or may be used as, an admission of any fault, wrongdoing, omission,
6 concession, or liability whatsoever by or against Defendant.

7 13. The Court approves the gross settlement amount of \$280,000. After deducting the
8 approved amounts for attorneys' fees and costs, service awards, and settlement administration costs, the
9 net settlement amount of \$140,381.66 will be allocated as follows: Seventy-Five Percent (75%), or
10 approximately \$105,286.25, shall be paid to the California Labor and Workforce Development Agency,
11 and the remaining Twenty-Five Percent (25%), or approximately \$35,095.41, shall be paid to Aggrieved
12 Employees.

13 14. The Court approves Raul Perez, Robert Drexler, Jonathan Lee, and Robert Myong of
14 Capstone Law APC and David Spivak of the Spivak Law Firm as PAGA Counsel. The Court hereby
15 awards \$93,333 in attorneys' fees and \$31,285.34 in costs to PAGA Counsel, Capstone Law APC and
16 David Spivak of the Spivak Law Firm.

17 15. The Court approves Service Awards of \$5,000 each, to Ricardo Arciniega Gonzalez and
18 Steven Faustinos.

19 16. The Court appoints ILYM Group, Inc. to serve as the Settlement Administrator, and
20 approves Settlement Administration Costs of \$5,000.

21 17. Plaintiff shall file a declaration from the Settlement Administrator regarding the
22 completion of settlement administration activities no later than _____, as well as an amended
23 judgment regarding the distribution of unclaimed residuals to The Justice Gap Fund maintained by The
24 State Bar of California. The Court sets a non-appearance compliance hearing for _____, at
25 which time the Court will consider evidence that the distribution process is complete and that a final
26 accounting may be approved.

27 18. This Judgment shall be binding on all Aggrieved Employees and the State of California,
28 who are hereby barred by the doctrine of res judicata from re-litigating the Settled Claims during the

1 Settlement Period, as those terms are defined by the Settlement. *See Arias v. Superior Court*, 46 Cal. 4th
2 969, 986 (2009) (holding that a judgment in a representative action brought by an aggrieved employee
3 under PAGA is binding not only on the named employee plaintiff but also on state labor law
4 enforcement agencies and any aggrieved employee not a party to the proceeding).

5 19. Without affecting the finality of the Order and Judgment, the Court shall retain exclusive
6 and continuing jurisdiction under California Code of Civil Procedure § 664.6, over the above-captioned
7 action and the parties for purposes of enforcing the terms of the Judgment and the Settlement.

8 20. This document shall constitute a judgment under California Code of Civil Procedure §
9 664.6.

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11 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

12 Date _____

13 Hon. Theresa M. Traber
14 Los Angeles County Superior Court Judge
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Exhibit 1

[Date], 2026

ILYM, Inc.

[Street Address]

[City, State Zip]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Shultz Steel Company, LLC (“Shultz”) Employee:

You have received this notice because Shultz’s records indicate that you have worked for Shultz at some time between August 19, 2022, through _____ 2026. This notice relates to the settlement of two lawsuits styled *Ricardo Arciniega Gonzalez v. Shultz Steel Company*, Los Angeles County Superior Court Case No. 23STCV09167, and *Steven Faustinos v. Shultz Steel Company*, Los Angeles County Superior Court Case No. 23STCV18306 (the “Lawsuits”).

In the Lawsuits, Plaintiffs Ricardo Arciniega Gonzalez and Steven Faustinos (“Plaintiffs”) seek civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows Plaintiffs to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiffs claim were “aggrieved” by alleged wage and hour violations on the part of Shultz, including: failure to pay all wages, including minimum and overtime wages; failure to provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages during employment and upon separation; failure to properly calculate paid sick leave; failure to reimburse for all necessary business expenses; and failure to provide notice of material terms of employment.

Shultz strongly disputes Plaintiffs’ allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Shultz has made a business decision to settle the Lawsuits, which settlement has been approved by the Court. As part of the Settlement, Shultz agreed to pay a certain amount of penalties under PAGA. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving 75 percent of the penalties. Under the Settlement, Plaintiffs and the State of California have released the following claims on behalf of the aggrieved employees:

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 Actions with respect to Aggrieved Employees based on the facts alleged in the Actions during the Settlement Period, Plaintiff Gonzalez’s May 31, 2023 and September 1, 2023 notices to the LWDA regarding Defendant’s alleged Labor Code violations, or Plaintiff Faustinos’ July 26, 2023 notice to the LWDA regarding Defendant’s alleged Labor Code violations. These claims include Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 248.6, 249, 432, 510, 512(a), 516, 558, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2802, and 2810.5.

The Released Parties include Shultz and each of its former and current parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any.

As part of the settlement, Shultz agreed to pay \$280,000.00 which includes the following payments: [\$105,286.25] to the State of California; [\$35,095.41] to be distributed amongst the aggrieved employees; [\$93,333] to Plaintiffs' counsel for attorneys' fees; up to [\$31,285.34] to Plaintiffs' counsel for litigation costs and expenses; up to [\$5,000.00] for each Plaintiff's Service Award; and [\$5,000.00] for settlement administration costs. The enclosed settlement check represents your *pro-rata* portion of the Court-approved PAGA settlement to the aggrieved employees based on the number of pay periods you worked during the PAGA period.

You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be distributed to The Justice Gap Fund maintained by The State Bar of California.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuits.

If you have any questions about this notice, please contact the Settlement Administrator, ILYM Group, Inc., at [REDACTED].

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUITS. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.