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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF PLACER

FERMAN OCHOA VILLACANA,
individually and on behalf of others similarly
situated,

Plaintiff,

vs.

RUA & SON MECHANICAL,
INCORPORATED, a California corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: S-CV-0051033

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

Complaint Filed: August 11, 2023
FAC Filed: October 16, 2023
Trial Date: None

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Ferman Ochoa Villacana, individually and on behalf of the Class, Aggrieved Employees, and Defendant Rua & Son Mechanical, Incorporated.

DEFINITIONS

1. "Agreement" or "Settlement Agreement" means this Joint Stipulation of Class Action and PAGA Settlement, entered into following a private mediation.
2. "Action" means the court action, entitled "*Villacana v. Rua & Son Mechanical, Incorporated*," Case No. S-CV-0051033, pending before the Placer County Superior Court. The claims included: (1) Violation of Cal. Labor Code §§ 510 and 1198 (Unpaid Overtime) (2) Violation of Cal. Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums) (3) Violation of Cal. Labor Code § 226.7 (Unpaid Rest Period Premiums) (4) Violation of Cal. Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages) (5) Violation of Cal. Labor Code §§ 201, 202 and 203 (Final Wages Not Timely Paid) (6) Violation of Labor Code §§ 204 and 210 (Wages Not Timely Paid During Employment) (7) Violation of Cal. Labor Code § 226(a) (Failure to Provide Accurate Wage Statements) (8) Violation of Cal. Labor Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses) (9) Violation of Cal. Business & Professions Code § 17200, et seq. and (10) Violation of Labor Code § 2699 (PAGA). Defendant denies the allegations in the lawsuit, denies any failure to comply with the laws identified in the Action, and denies any liability for the causes of action alleged.
3. "Class Counsel" means Protection Law Group, LLP.
4. "Class Counsel's Fees and Costs" means attorneys' fees for Class Counsel's litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys' fees not to exceed One-Third (1/3) of the Gross Settlement Amount, i.e. Three Hundred and Thirty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-

1 Three Cents (\$333,333.33) and the reimbursement costs and expenses associated with the
2 litigation and settlement of the Action, not to exceed Twenty Thousand Dollars
3 (\$20,000.00), subject to the Court's approval. Defendant agreed to not oppose Class
4 Counsel's request for fees and reimbursement of costs and expenses in the amount set
5 forth above. Any attorneys' fees and costs not approved by the Court shall become part of
6 the Net Settlement Amount.

- 7 5. "Class List" means a complete list of all Class Members that Defendant will diligently
8 and in good faith compile from their records and provide to the Settlement Administrator
9 within thirty (30) calendar days after the Court enters an Order granting Preliminary
10 Approval of this Settlement. The Class List will be formatted in a readable Microsoft
11 Office Excel spreadsheet and will include Class Member's: (1) full name; (2) last known
12 home address; (3) last known telephone number; (4) social security number; (5) start and
13 end dates of active employment of each Class Member; (6) total Workweeks during the
14 Class Period; (7) total Workweeks during the PAGA Period; and (8) any other information
15 required by the Settlement Administrator in order to effectuate the terms of the Settlement.
- 16 6. "Class" or "Class Members" means all current and former non-exempt employees of
17 Defendant, who worked for Defendant in the state of California, at any time during the
18 Class Period.
- 19 7. "Class Period" means the period from August 11, 2019, through the date of preliminary
20 approval of the Settlement by the Court.
- 21 8. "Class Representative" means Plaintiff Ferman Ochoa Villacana in his capacity as
22 representatives of the Participating Class Members.
- 23 9. "Plaintiff's Incentive Payment" means the amount that the Court authorizes to be paid to
24 Plaintiff in addition to whatever monetary settlement Plaintiff is entitled to recover from
25 the Net Settlement Amount as a Class Member. Defendant agrees not to oppose Plaintiff's
26 request for an Incentive Payment of Seven Thousand Five Hundred Dollars (\$7,500). Any
27 amount of the Incentive Payment not approved by the Court shall become part of the Net
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Settlement Amount. his Individual Settlement Payments, in recognition of the efforts and risks he has taken in assisting with the prosecution of the Action and in exchange for the General Release of their claims as provided herein.

10. "Court" means the Superior Court of the State of California for the County of Placer.

11. "Defendant" means Rua & Son Mechanical, Incorporated.

12. "Defense Counsel" means Cook Brown, LLP.

13. "Effective Date" means the later date of the following: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.

14. "Final Approval" means the Court entering an order granting final approval of the Settlement Agreement.

15. "Gross Settlement Amount" means the sum of One Million Dollars (\$1,000,000). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendant, and includes all: (1) payments to the Participating Class Members; (2) Class Counsel's Fees (3) Class Counsel's Costs; (4) Settlement Administration Costs; (5) Incentive Payment to Plaintiff; and (6) Payment of PAGA penalties to be paid to the California Labor and Workforce Development Agency ("LWDA") and PAGA Members. The Gross Settlement Amount is based on Defendant's representation that the Class Members worked a total of 21,000 Workweeks between August 11, 2019 and October 17, 2024. The Gross Settlement Amount plus any applicable employer-side payroll taxes shall be the maximum amount Defendant is required to pay under the Settlement. The Gross Settlement Amount is exclusive of the employer's share of any applicable payroll taxes, and any such employer-side payroll taxes shall be paid by Defendant separately and in addition to the Gross Settlement Amount.

16. "Individual Settlement Payment" means the amount payable from the Net Settlement

Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Payment. Individual Settlement Payments shall be paid by a Settlement Check made payable to Participating Class Members and/or PAGA Members. The amounts paid as wages shall be subject to all tax withholdings customarily made from the employee's wages and all other authorized and required withholdings. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages. The Settlement Administrator will be responsible for issuing to Participating Class Members a form W-2 for amounts deemed "wages" and an IRS Form 1099 for the amounts deemed penalties and interest. Payments from the PAGA portion of the settlement to the PAGA Members shall be allocated as 100% penalties.

17. "Net Settlement Amount" means the funds available for payments to the Class, which shall be amount remaining after the following amounts are deducted from the Gross Settlement Amount: (1) Class Counsel's fees, (2) Class Counsel's costs, (3) Settlement Administration Costs, (4) Incentive Payment to Named Plaintiff; and (5) the PAGA Penalties to be paid to the LWDA and PAGA Members.

18. "Class Notice" means the Notice of Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, in both English and Spanish, providing a summary of the provisions of the Settlement, that will be mailed to the Class Members' last known addresses. The Class Notice shall list the number of Workweeks worked by the Class Member during the Class Period and the estimated individual payment each Class Member will receive if they participate in the Settlement. The Class Notice will also include instructions on how to opt-out of and object to the Settlement. The Settlement Administrator shall mail the Class Notice to Class Members via First Class U.S. Mail no later than seven (7) calendar days after receiving the Class List from Defendant.

19. "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA").

1 20. "PAGA Penalties" means the amount that the Parties have agreed to allocate in order to
2 settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
3 2698, et seq.)(“PAGA”). The Parties have agreed that Seventy-Five Thousand Dollars
4 (\$75,000.00) of the Gross Settlement Amount will be allocated to the resolution of
5 Plaintiffs’ PAGA Claims. Seventy-Five Percent (75%) of this amount (\$56,250.00) will
6 be paid to the California Labor and Workforce Development Agency in accordance with
7 Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$18,750.00), will
8 be distributed to PAGA Members on a *pro rata* basis, based on the total number of
9 Workweeks worked by each PAGA member during the PAGA period.

10 21. "PAGA Period" means the period from August 19, 2022, and ending on the date of
11 preliminary approval of the Settlement by the Court.

12 22. "PAGA Members" means all current and former non-exempt employees of Defendant,
13 who were employed by Defendant in the state of California, at any time during the PAGA
14 Period.

15 23. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either
16 Plaintiffs or Defendant, individually.

17 24. "Participating Class Members" means all Class Members who do not timely opt out of the
18 Settlement.

19 25. "Plaintiff" means Ferman Ochoa Villacana.

20 26. "Preliminary Approval" means the Court order granting preliminary approval of the
21 Settlement Agreement.

22 27. "Objection" means a Participating Class Member’s valid and timely written objection to
23 the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s
24 full name, address, telephone number, last four digits of the employees social security
25 number or employee ID number and (b) the name of the case and case number; and (c) a
26 written statement of all grounds for the objection accompanied by legal support, if any,
27 for such objection. Class Members will be provided 60 days within which to submit
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1 objections. Class Members who wish to object will need to mail those objections to the
2 Settlement Administrator only. Class Members will not be barred from appearing at the
3 final approval hearing if they have not complied with the objection procedures for mailing
4 objections to the Settlement Administrator. The Settlement Administrator shall provide
5 counsel for the Parties with complete copies of all objections received, including the
6 postmark dates or fax timestamps for each objection, within five (5) calendar days of
7 receipt. Plaintiff's Counsel will provide copies of any objections and supporting
8 documents to the Court at least ten (10) days before the Final Approval Hearing.

9 28. "Released Class Claims" means all claims, rights, demands, liabilities and causes of
10 actions that are alleged, or that reasonably could have been alleged, based on the facts
11 asserted in the operative complaint in the Action including factual claims regarding
12 Defendant's alleged: (i) failure to pay all regular wages, minimum wages and overtime
13 wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure
14 to provide rest periods or compensation in lieu thereof; including any claims regarding
15 failure to pay at the correct rate of pay; (iv) failure to reimburse necessary business
16 expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay
17 wages timely at time of termination or resignation; (vii) failure to provide timely pay
18 wages during employment; and (viii) unfair business practices. This release shall apply to
19 claims arising during the Class Period. These released claims shall also include any and
20 all claims for compensation of any type whatsoever, that could have been based on the
21 facts alleged in the operative complaint in the Action including but not limited to claims
22 for wages (including, but not limited to, overtime and minimum wage), prevailing wages,
23 bonuses, travel time, commissions, incentive compensation, meal break premiums, rest
24 break premiums, inaccurate wage statements, expense reimbursements, or related
25 penalties. This release does not pertain to any right which is not otherwise waivable
26 pursuant to statute or law.

27 29. "Released PAGA Claims" means all claims under the California Labor Code Private
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Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in the PAGA Letter provided to the LWDA and in the operative complaint including but not limited to penalties that could have been awarded pursuant to Labor Code sections 203, 210, 226, 226.3, 558, 1174.5, 1197.1, 1199, 1775, and 2699 as well as the Industrial Welfare Commission Wage Orders including Nos. 1, 4 and 16. This release shall apply to claims arising during the PAGA Period.

30. "Released Parties" means Defendant Rua & Son Mechanical, Incorporated and its past and present and/or future, direct and/or indirect, officers, directors, members, managers, agents, employees, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, joint ventures, divisions, predecessors, successors, assigns.

31. "Request for Exclusion" means a valid and timely written statement submitted by a Class Member requesting to be excluded from the settlement of the Released Class Claims. To be effective, the Request for Exclusion must contain (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release of claims arising under the Private Attorneys General Act.

32. "Response Deadline" means the date sixty (60) days after the Settlement Administrator mails Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion, written objections, or workweek disputes, will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice by

the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the Response Deadline.

33. "Settlement" means the disposition of the Action pursuant to this Agreement.

34. "Settlement Administrator" shall be ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

35. "Settlement Administration Costs" mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member's Individual Settlement Payment, calculating the PAGA Portion of the PAGA Members individual settlement payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement administration Costs shall not exceed Six Thousand Nine Hundred Fifty Dollars (\$6,950.00). Settlement administration shall be paid from the Gross Settlement Amount, subject to court approval. To the extent that Settlement Administration costs are ultimately less than the amount of the quote provided by the selected Settlement Administrator, the remainder shall become part of the Net Settlement Amount.

36. "Workweek" shall mean any week in which a Class Member performed work on at least one (1) day for Defendant.

TERMS OF AGREEMENT

37. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Plaintiff's Incentive Payment, Class Counsel's Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of Workweeks as set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

38. Potential Increase to the Gross Settlement Amount: Defendant has represented there are approximately 21,000 Workweeks between August 11, 2019 and October 17, 2024. Should the actual number of Workweeks increase by more than fifteen percent (15%) (*i.e.* by more than 3,150 Workweeks) Defendant shall have the option of (a) increasing the Gross Settlement Amount on a pro rata basis equal to the percentage increase in the number of workweeks worked by the Class Members above 15% (e.g. if the number of Workweeks increase by 11% through the Class Period, then the Gross Settlement Amount shall increase by 1%; or (b) cap the Class Period as of the date the number of Workweek reaches but does not exceed 15%. If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated to attorney's fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented. If Defendant elects to shorten the end of the Class Period the Parties shall notify the Court and amend the Notice and class list prior to the Notice being sent to the Class Members.

39. Funding of the Gross Settlement Amount: Within thirty (30) calendar days of the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount and all

1 applicable employer-side payroll taxes into a Qualified Settlement Fund (“QSF”) to be
2 established by the Settlement Administrator. Defendant shall provide all information
3 necessary for the Settlement Administrator to calculate necessary payroll taxes including
4 its official name, 8-digit state unemployment insurance tax ID number, and other
5 information requested by the Settlement Administrator, no later than seven (7) calendar
6 days of the Effective Date.

7 40. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the
8 funding of the Settlement, the Settlement Administrator will issue payments for: (a)
9 Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce
10 Development Agency; (c) the Class Representative Enhancement Payment; (d) Class
11 Counsel’s Fees and Costs; and (e) Settlement Administration Costs.

12 41. Attorneys’ Fees and Costs: The Parties will each bear their own attorney’s fees, costs and
13 expenses arising out of and/or connected with Plaintiff’s claims, as well as the negotiation,
14 drafting, and execution of this Agreement, and all matters arising out of or connected
15 herewith. Defendant agrees to the designation of Protection Law Group, LLP as counsel
16 for the Settlement Class for all purposes in this case. Defendant further agrees not to
17 oppose Class Counsel’s application or motion for attorneys’ fees of up to 1/3 of the Gross
18 Settlement Amount, Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three
19 Dollars and Thirty-Three Cents (\$333,333.33) and reasonable costs of up to Twenty
20 Thousand Dollars (\$20,000.00). Any portion of the requested fees or costs that is not
21 approved by the Court shall become part of the Net Settlement Amount and distributed to
22 Participating Class Members as provided in this Agreement.

23 42. Plaintiff’s Incentive Payment: Defendant agrees not to oppose Plaintiff’s request for an
24 Incentive Payment of Seven Thousand Five Hundred dollars (\$7,500.00). Plaintiff will be
25 issued an IRS Form 1099 in connection with this payment. The Incentive Payment is in
26 addition to whatever monetary settlement Plaintiff is entitled to recover from the Net
27 Settlement Amount as a Class Member. Any amount of the Incentive Payment not
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approved by the Court shall become part of the Net Settlement Amount.

43. Settlement Administration Costs: Settlement Administration expenses shall be paid from the Gross Settlement Amount, subject to court approval. To the extent that Settlement Administration costs are ultimately less than the amount of the quote provided by the selected Settlement Administrator, the remainder shall become part of the Net Settlement Amount.

44. PAGA Payment: Seventy-Five Thousand Dollars (\$75,000) shall be allocated from the Gross Settlement Amount as PAGA Penalties. Seventy-Five Percent (75%) of this amount (\$56,250.00) will be paid to the California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$18,750.00), will be distributed to PAGA Members on a *pro rata* basis, based on the total number of Workweeks worked by each PAGA member during the PAGA period.

45. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the Individual Settlement Payments to the Class Members in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount:	\$1,000,000.00
Plaintiff's Incentive Payment:	\$7,500.00
Class Counsel's Fees:	\$333,333.33
Class Counsel's Costs:	\$20,000.00
PAGA Payment:	\$75,000.00
Settlement Administration Costs:	\$6,950.00
Estimated Net Settlement Amount:	\$557,216.67

46. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Penalties allocated for PAGA Members. Specific calculations of Individual Settlement Payments will be made as follows:

1 a) Calculation of Class Portion of Individual Settlement Payments: Defendant will
2 provide the Settlement Administrator with the total number of Workweeks for
3 each Participating Class Member. Defendant will also provide the total aggregated
4 number of Workweeks worked by all Participating Class Members during the
5 Class Period. The amount that each Participating Class Member will be eligible to
6 receive will be calculated by dividing each participating Class Member's
7 individual Workweeks by the total Workweeks of all Participating Class Members
8 and multiplying the resulting fraction by the Net Settlement Amount.

9 b) Calculation of PAGA Portions of Individual Settlement Payments: Defendant will
10 also provide the Settlement Administrator with the total number of Workweeks for
11 each PAGA Member. Defendant will also provide the total aggregated number of
12 Workweeks worked by all PAGA Members during the PAGA Period. The amount
13 that each PAGA Member will receive will be calculated by dividing each
14 participating PAGA Member's individual Workweeks by the total Workweeks of
15 all PAGA Members, and multiplying the resulting fraction by the 25% share of
16 the PAGA Penalties designated for distribution to aggrieved employees. PAGA
17 Members shall receive this portion of their Individual Settlement Payment
18 regardless of whether they opt out of the participation regarding the class claims.

19 c) Allocation of Individual Settlement Payments: The Individual Settlement
20 Payments estimate indicated on the Notice are subject to change, depending on
21 factors including how many Class Members become Excluded Class Members
22 (resulting in their Individual Workweeks being removed from the final Class
23 Workweeks, thereby increasing the final weekly settlement amount). The Class
24 portion of each Individual Settlement Payment will be designated as 20% wages,
25 40% interest, and 40% penalties. The PAGA portion of each Individual Settlement
26 Payment will be allocated as 100% penalties.

27 d) Any Participating Class Members who received payment from the Prior Release
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1 Payments made by Defendant shall have such amounts credited against the class
2 portion of their Individual Settlement Payment. However, each Participating Class
3 Member shall receive a payment of at least One Hundred Dollars (\$100.00) for the
4 class portion of his/her Individual Settlement Payment.

5 47. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
6 Participating Class Members under this Settlement, as well as any other payments made
7 pursuant to this Settlement, will not be utilized to calculate any additional benefits under
8 any benefit plans to which any Class Members may be eligible, including, but not limited
9 to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
10 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
11 that this Settlement Agreement will not affect any rights, contributions, or amounts to
12 which any Class Members may be entitled under any benefit plans.

13 48. Settlement Administration Process: The Parties agree to cooperate in the administration
14 of the Settlement and to make all reasonable efforts to control and minimize the costs and
15 expenses incurred in administration of the Settlement. The Settlement Administrator will
16 provide the following services:

- 17 a) Establish and maintain a Qualified Settlement Fund.
- 18 b) Calculate the Individual Settlement Payment each Participating Class Member is
19 eligible to receive and the portion of the PAGA Payment each PAGA Member shall
20 receive.
- 21 c) Translate the Notice from English to Spanish and print and mail the Notice.
- 22 d) Assist Class Members who have questions regarding the Notice.
- 23 e) Conduct additional address searches for mailed Notices that are returned as
24 undeliverable.
- 25 f) Calculate Participating Class Members' Individual Settlement Payments, process
26 any Requests for Exclusion, and field inquiries from Class Members.
- 27 g) Calculate and make all payments on behalf of Defendant required pursuant to the
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Settlement Agreement, including but not limited to, FICA, FUTA, and SDI contributions and the employer's portion of all payroll taxes, which shall be made from the Class Settlement Amount.

h) Print and issue Settlement Payment Checks, prepare IRS W2 and 1099 Tax Forms and any other filings required by any governmental taxing authority. Basic accounting for and payment of employee tax withholdings and forwarding all payroll taxes and penalties to the appropriate government authorities will also be included as part of this service.

i) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court regarding the Settlement Administration Process.

j) Provide weekly status reports to counsel for the Parties.

k) Post a notice of final judgment online at Settlement Administrator's website.

49. Delivery of the Class List: No later than thirty (30) calendar days after the date on which the Court enters an Order granting Preliminary Approval of the Settlement, Defendant will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

50. Notice by First Class U.S. Mail: Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

51. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date

1 of such re-mailing on the Notice Packet. If no forwarding address is provided, the
2 Settlement Administrator will promptly attempt to determine the correct address using a
3 skip-trace, or other search using the name, address and/or Social Security number of the
4 Class Member involved and will then perform a single re-mailing. Those Class Members
5 who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have
6 between the later of (a) an additional fourteen (14) calendar days or (b) the Response
7 Deadline to postmark or electronically submit a Request for Exclusion or an objection to
8 the Settlement.

9 52. Notice: All Class Members will be mailed a Notice in both English and Spanish containing
10 the Form attached as Exhibit A as approved by the Court. Each Notice will: (a) provide a
11 summary of the provisions of the Settlement; (b) list the number of Workweeks worked
12 by the Class Member during the Class Period; and (c) the estimated individual payment
13 each Class Member will receive if they participate in the Settlement.

14 53. Disputed Information on Notice: Class Members will have an opportunity to dispute the
15 information provided in their Notice. To the extent Class Members dispute the number of
16 Workweeks with which they have been credited or the amount of their Individual
17 Settlement Payment, Class Members may produce evidence to the Settlement
18 Administrator showing that such information is inaccurate. Absent evidence rebutting
19 Defendant's records, Defendant's records will be presumed determinative. However, if a
20 Class Member produces evidence to the contrary by the Response Deadline, the Parties
21 will evaluate the evidence submitted by the Class Member and the Parties will make the
22 final decision as to the number of eligible Workweeks that should be applied and/or the
23 Individual Settlement Payment to which the Class Member may be entitled. If the Parties
24 do not agree, the dispute will be submitted to the Court.

25 54. Defective Submissions: If a Class Member's Request for Exclusion is defective as to the
26 requirements listed herein, that Class Member will be given an opportunity to cure the
27 defect(s). The Settlement Administrator will mail the Class Member a cure letter within
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three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark a revised Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the Settlement Administrator will have no further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

55. Request for Exclusion Procedures: Class members will be provided 60 days within which to submit requests for exclusion. Any Class Member wishing to opt-out from the release of the Released Class Claims must sign and postmark a written Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims. The date of the postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. All Class Members who do not request exclusion from the Action will be bound by all terms of the Settlement Agreement if the Settlement is granted final approval by the Court. The Request for Exclusion shall not be effective as to the release of claims arising under the Private Attorneys General Act.

56. Defendant's Right to Rescind: If ten percent (10%) or more of the Class Members (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendant must meet and confer with Class

Counsel prior to exercising this right and must make clear their intent to rescind the Agreement within thirty (30) calendar days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendant exercises their right to rescind the Agreement, Defendant shall be responsible for all Settlement Administration Costs incurred to the date of rescission.

57. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment or the Class Release. However, the opt-out shall not be effective as to the release of claims arising under the Private Attorneys General Act. The names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiff and Defendant and noted in the proposed Judgment submitted to the Court.

58. Objection Procedures: Class members will be provided 60 days within which to submit objections. To object to the Class portion of the Settlement, a Participating Class Member must postmark a valid Objection to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including the employees full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, the name of the case and case number, and the specific reason including any legal grounds for the Participating Class Members objection. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection, but shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by

1 the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise
2 encourage Participating Class Members to submit written objections to the Settlement or
3 appeal from the Order and Judgment. Class Counsel will not represent any Class Members
4 with respect to any objections to this Settlement.

5 59. Certification Reports Regarding Individual Settlement Payment Calculations: The
6 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly
7 report which certifies: (a) the number and names of Participating Class Members from the
8 Settlement Class who have disputed their anticipated Individual Settlement Payment; (b)
9 the number of Class Members who have submitted valid Requests for Exclusion; and (c)
10 any objections submitted to the Settlement along with a copy of any such objection.
11 Additionally, the Settlement Administrator will provide to counsel for both Parties any
12 updated reports regarding the administration of the Settlement Agreement as needed or
13 requested.

14 60. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator to
15 Participating Class Members and PAGA Members will be negotiable for at least one
16 hundred eighty (180) calendar days. If a Participating Class Member or PAGA Member
17 does not cash his or her Settlement Check or PAGA payment check within 180 days, the
18 uncashed funds, subject to Court approval, shall be distributed to the Controller of the
19 State of California to be held pursuant to the Unclaimed Property Law, California Civil
20 Code §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA
21 Members who did not cash their checks until such time that they claim their property. The
22 Parties agree that this disposition results in no "unpaid residue" under California Civil
23 Procedure Code § 384, as the entire Net Settlement Amount will be paid out to
24 Participating Class Members and the entire 25% portion of the PAGA Payment will be
25 paid out to the PAGA Members, whether or not they all cash their Settlement Checks or
26 PAGA payment checks. Therefore, Defendant will not be required to pay any interest on
27 such amounts. The Individual Settlement Payments provided to Participating Class
28

Members and to PAGA Members shall prominently state the expiration date or a statement that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

61. Administration of Taxes by the Settlement Administrator: The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

62. Tax Liability: Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendant's share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendant's FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

63. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the acknowledging party, an "Other Party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice

1 within the meaning of United States Treasury Department circular 230 (31 CFR part 10,
2 as amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her or its
3 own, independent legal and tax counsel for advice (including tax advice) in connection
4 with this Agreement, (b) has not entered into this Agreement based upon the
5 recommendation of any Other Party or any attorney or advisor to any Other Party, and (c)
6 is not entitled to rely upon any communication or disclosure by any attorney or adviser to
7 any other party to avoid any tax penalty that may be imposed on the Acknowledging Party,
8 and (3) no attorney or adviser to any Other Party has imposed any limitation that protects
9 the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether
10 such limitation is legally binding) upon disclosure by the acknowledging party of the tax
11 treatment or tax structure of any transaction, including any transaction contemplated by
12 this Agreement.

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

17 65. Release by Participating Class Members: Upon the complete funding of the Gross
18 Settlement Amount and all applicable employer-side payroll taxes by Defendant,
19 Participating Class Members shall fully release and discharge the Released Parties from
20 the Released Class Claims that arose during the Class Period. This release shall be binding
21 on all Participating Class Members.

22 66. Release by the State of California and LWDA: Upon the complete funding of the Gross
23 Settlement Amount and all applicable employer-side payroll taxes by Defendant, the
24 LWDA and the State of California, through Plaintiff as its agent and/or proxy, shall fully
25 release and discharge the Released Parties from the Released PAGA Claims that arose
26 during the PAGA Period. The Parties intend for this PAGA settlement to have claim
27 preclusion, issue preclusion, or otherwise bar a representative action if an aggrieved
28

1 employee were to bring a subsequent claim on behalf of the LWDA based on the same
2 factual predicate as this action and covering the same time period.

3 67. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross Settlement
4 Amount, Plaintiff agrees—on behalf of himself only—to the additional following General
5 Release: In consideration of Defendants’ promises and agreements as set forth herein,
6 Plaintiff hereby fully releases the Released Parties from any and all Released Class Claims
7 and Released PAGA Claims and also generally releases and discharges the Released
8 Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities
9 of any kind which have been or could have been asserted against the Released Parties
10 arising out of or relating to his employment by Defendant or termination thereof, including
11 but not limited to claims for wages, restitution, penalties, retaliation, defamation,
12 discrimination, harassment or wrongful termination of employment. This release
13 specifically includes any and all claims, demands, obligations and/or causes of action for
14 damages, restitution, penalties, interest, and attorneys’ fees and costs (except provided by
15 the Settlement Agreement) relating to or in any way connected with the matters referred to
16 herein, whether or not known or suspected to exist, and whether or not specifically or
17 particularly described herein. Specifically, Plaintiff waives all rights and benefits afforded
18 by California Civil Code Section 1542, which provides:

19 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
20 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
21 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
22 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
23 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
24 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

25 This release specifically excludes claims for unemployment insurance, disability, social
26 security, and workers compensation (with the exception of claims arising pursuant to
27 California Labor Code Sections 132(a) and 4553).

28 Plaintiff represents that he does not currently have pending any complaint or action—other than

1 this Action, *Villacana v. Rua & Son Mechanical, Incorporated*. (Placer County Superior Court
2 Case No.: S-CV-0051033) and the workers compensation actions *Ferman Ochoa Villacana*
3 *v. Rua & Son Mechanical Inc.* - ADJ17024287 & ADJ17024299—against any of the Released
4 Parties, or with any state, federal or local agency, court or arbitrator / arbitration service based on
5 any matters arising out of his employment with Defendant or the separation thereof and will not
6 do so at any time. To the extent that any other such complaints or actions have been filed,
7 other than this action and the worker's compensation matters identified above, Plaintiff
8 will dismiss them immediately with prejudice.

9 68. Neutral Employment Reference: Defendant agrees that they will adopt a neutral reporting
10 policy regarding any future employment references related to Plaintiff. In the event that
11 any potential or future employers of Plaintiff requests a reference regarding Defendant's
12 employment of Plaintiff, Defendant shall only provide Plaintiff's dates of employment,
13 job titles during employment, and final rate of pay. Defendant shall not refer to the Action
14 or this Settlement.

15 69. Nullification of Settlement Agreement: In the event that: (a) the Court does not finally
16 approve the Settlement as provided herein; (b) the Court strikes or does not approve any
17 material term of this Settlement Agreement; or (c) the Settlement does not become final
18 as written and agreed to by the Parties for any other reason, then this Settlement
19 Agreement, and any documents generated to bring it into effect, will be null and void, all
20 amounts deposited into the QSF will be returned to Defendant, and the Parties shall be
21 returned to their original respective positions. Any order or judgment entered by the Court
22 in furtherance of this Settlement Agreement will likewise be treated as void from the
23 beginning. Should the Court fail to approve this settlement for any reason, the Parties
24 agree that they will return to and attend mediation with a mutually agreed Mediator in an
25 effort to reach a settlement that may be approved by the Court.

26 70. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to request
27 Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
28

1 Approval Order for: (a) conditional certification of the Class for settlement purposes only,
2 (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for
3 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will
4 provide for the Notice to be sent to all Class Members as specified herein. In conjunction
5 with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets
6 forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit
7 A. Defendant agrees that they will not oppose Plaintiff's motion for Preliminary Approval,
8 so long as it is in line with the terms of this Settlement Agreement and does not make any
9 material misrepresentations of the case. Any failure by the Court to fully and completely
10 approve the Agreement as to the Action will result in this Settlement Agreement and the
11 Memorandum of Understanding entered into by the Parties, and all obligations under this
12 Settlement Agreement and the Memorandum of Understanding being nullified and
13 voided.

14 71. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
15 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement,
16 and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be
17 conducted to determine the Final Approval of the Settlement Agreement along with the
18 amounts properly payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees
19 and Costs; (c) the Class Representative Enhancement Payments; and (d) the Settlement
20 Administration Costs. Class Counsel will be responsible for drafting all documents
21 necessary to obtain Final Approval. Any failure by the Court to fully and completely
22 approve the Settlement Agreement as to all of the Action, or the entry of any Order by
23 another Court with regard to any of the Action which has the effect of modifying material
24 terms of this Agreement or preventing the full and complete approval of the Settlement
25 Agreement as written and agreed to by the Parties, will result in this Agreement and all
26 obligations under this Agreement being null and void. Defendant agrees they shall not
27 oppose the granting of the Motion for Final Approval, provided Defendant has not
28

exercised their right to rescind pursuant to the terms of this Agreement.

72. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

73. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

74. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

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

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

disagreement.

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

78. California Law Governs: All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

79. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

80. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

82. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

83. Class Action Certification for Settlement Purposes Only: The Parties agree to stipulate to the certification of the Class for Settlement purposes only. If, for any reason, the

1 Settlement is not approved, the stipulation to certification will be void. The Parties further
2 agree that certification for purposes of the Settlement is not an admission that class action
3 certification is proper under the standards applied to contested certification motions and
4 that this Agreement will not be admissible in this or any other proceeding as evidence that
5 either: (a) a class action should be certified or (b) Defendant is liable to Plaintiff or any
6 Class Member, other than according to the Settlement's terms.

7 84. Non-Admission of Liability: The Parties enter into this Agreement to resolve the dispute
8 that has arisen between them and to avoid the burden, expense and risk of continued
9 litigation. In entering into this Agreement, Defendant does not admit, and specifically
10 deny, they have violated any federal, state, or local law; violated any regulations or
11 guidelines promulgated pursuant to any statute or any other applicable laws, regulations
12 or legal requirements; breached any contract; violated or breached any duty; engaged in
13 any misrepresentation or deception; or engaged in any other unlawful conduct with respect
14 to their employees. Neither this Agreement, nor any of its terms or provisions, nor any of
15 the negotiations connected with it, shall be construed as an admission or concession by
16 Defendant of any such violations or failures to comply with any applicable law. Except as
17 necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its
18 terms and provisions shall not be offered or received as evidence in any action or
19 proceeding to establish any liability or admission on the part of Defendant or to establish
20 the existence of any condition constituting a violation of, or a non-compliance with,
21 federal, state, local or other applicable law.

22 85. Captions: The captions and section numbers in this Agreement are inserted for the reader's
23 convenience, and in no way define, limit, construe or describe the scope or intent of the
24 provisions of this Agreement.

25 86. Waiver: No waiver of any condition or covenant contained in this Settlement Agreement
26 or failure to exercise a right or remedy by any of the Parties hereto will be considered to
27 imply or constitute a further waiver by such party of the same or any other condition,
28

1 covenant, right or remedy.

2 87. Enforcement Action: In the event that one or more of the Parties institutes any legal action
3 or other proceeding against any other Party or Parties to enforce the provisions of this
4 Settlement or to declare rights and/or obligations under this Settlement, the successful
5 Party or Parties will be entitled to recover from the unsuccessful Party or Parties
6 reasonable attorneys' fees and costs, including expert witness fees incurred in connection
7 with any enforcement actions.

8 88. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and
9 conditions of this Agreement. Accordingly, this Agreement will not be construed more
10 strictly against one Party than another merely by virtue of the fact that it may have been
11 prepared by counsel for one of the Parties, it being recognized that, because of the arms-
12 length negotiations between the Parties, all Parties have contributed to the preparation of
13 this Settlement Agreement.

14 89. Representation by Counsel: The Parties acknowledge that they have been represented by
15 counsel throughout all negotiations that preceded the execution of this Agreement, and
16 that this Agreement has been executed with the consent and advice of counsel and
17 reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are
18 no liens on the Agreement.

19 90. All Terms Subject to Final Court Approval: All amounts and procedures described in this
20 Settlement Agreement herein will be subject to final Court approval.

21 91. Cooperation and Execution of Necessary Documents: The Parties agree to cooperate to
22 promote participation in the Settlement, and in seeking court approval of the Settlement.
23 The Parties and their counsel agree not to take any action to encourage any Class Members
24 to opt out of and/or object to the Settlement. Defendant agrees not to obtain any settlement
25 agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
26 Member prior to the funding of the Gross Settlement Amount concerning claims released
27 via this Agreement, or enter into any arbitration agreement with any Class Member that
28

1 covers the claims released via this Agreement during the Settlement approval process prior
2 to the funding of the Gross Settlement Amount and that the Parties will work in good faith
3 to reach an agreement approved by the Court. Defendant further agrees that it will not
4 oppose Plaintiff's motion for preliminary approval or motion for final approval.

5 92. Confidentiality: The Parties and their counsel agree to keep the terms of the Settlement
6 confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff, Class
7 Counsel, Defendant and their counsel agree that they will not issue any press releases,
8 initiate any contact with the press, respond to any press inquiry or have any
9 communication with the press about the fact, amount or terms of the Settlement
10 Agreement. Nothing in this Settlement Agreement shall limit Defendant's ability to fulfill
11 disclosure obligations reasonably required by law or in furtherance of business purposes,
12 including the fulfillment of obligations stated in this Settlement Agreement or limit Class
13 Counsel's communications with the Class Members in furtherance of approval of this
14 Settlement.

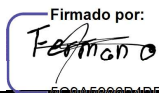
15 93. Binding Agreement: The Parties warrant that they understand and have full authority to
16 enter into this Settlement, and further intend that this Settlement Agreement will be fully
17 enforceable and binding on all Parties, and agree that it will be admissible and subject to
18 disclosure in any proceeding to enforce its terms, notwithstanding any settlement
19 confidentiality provisions that otherwise might apply under federal or state law. The
20 Parties agree that the Court shall have jurisdiction to enforce the terms and conditions of
21 the settlement pursuant to Code of Civil Procedure section 664.6 upon notice motion of
22 any party.

23 94. Privileged Class Data: Information, documents, records, policies, and data provided to
24 Class Counsel pursuant to Cal. Evid. Code section 1152, under the mediation privilege, or
25 otherwise in this matter, and all copies and summaries of the Class Data provided to Class
26 Counsel by Defendant in connection with the mediation, other settlement negotiations, or
27 in connection with the Settlement, shall only be used with respect to this Settlement, and
28

no other purpose, and shall not be used in any way that violates any existed contractual agreement, statute, or rule of court. Class Counsel shall not use Defendant's policies, records, data, information, employee names, or any other materials provided in this matter to file a subsequent lawsuit against Defendant. These privileged materials shall not be shared with any other individual, entity, law firm, or party.

Dated: 5/12/2025

PLAINTIFF

By:  FERMAN OCHOA VILLACANA
Firmado por: 5C9A5990B46D49C...

Dated: May 12, 2025

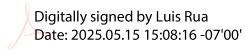
PROTECTION LAW GROUP, LLP

By:  Ryan Chuman, Esq.
 Arnel O. Tan, Esq.
 Joseph O. Marshall, Esq.
 Christine V. Reyes, Esq.
 Attorneys for Plaintiff, FERMAN OCHOA
 VILLACANA

Dated: _____

DEFENDANT

RUA & SON MECHANICAL, INCORPORATED

By: Luis Rua 
Digitally signed by Luis Rua
 Date: 2025.05.15 15:08:16 -07'00'

Name: Luis Rua

Title: President

Dated: May 19, 2025

COOK BROWN, LLP

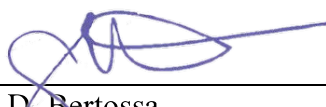
By:  Brian D. Bertossa
 Sarah M. Woolston
 Attorneys for Defendant, RUA & SON
 MECHANICAL INCORPORATED

Exhibit A

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

Villacana v. Rua & Son Mechanical, Incorporated
Placer County Superior Court, Case No. S-CV-0051033

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former non-exempt employees who worked for Rua & Son Mechanical, Incorporated in the state of California, at any time from August 11, 2019 through [DATE OF PRELIMINARY APPROVAL].

BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Ferman Ochoa Villacana (“Plaintiff”) a former employee of Rua & Son Mechanical, Incorporated (“Defendant”) on August 11, 2023. The case is currently pending in the Placer County Superior Court, Case No. S-CV-0051033. Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Ferman Ochoa Villacana, also known as “Plaintiff”), sue on behalf of people who appear to have similar claims (in this case all individuals who were employed by Defendant Rua & Son Mechanical, Incorporated in the state of California as non-exempt employees at any time from August 11, 2019, through [DATE OF PRELIMINARY APPROVAL].) All these people are referred to here as Class Members. In a class action one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Placer County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiff Ferman Ochoa Villacana as the Class Representative, and appointed his attorneys at Protection Law Group as counsel for the Class (“Class Counsel”). The Court has not made a final ruling on whether the settlement is fair, adequate, and reasonable. Instead, the Court has found that the settlement within the range of reasonableness that could be approved. A Final Determination on whether to approve the settlement will be made at the hearing on [REDACTED]. The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as a non-exempt employee in the state of California at any time between August 11, 2019, and [DATE OF PRELIMINARY APPROVAL].

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of One Million Dollars (\$1,000,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 1/3 of the Gross Settlement Amount or Three Hundred and Thirty-Three Thousand Three Hundred Thirty-Three Dollars (\$333,333.33);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Twenty Thousand Dollars (\$20,000);
- C. **Incentive Payment to the Class Representative** in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00);
- D. **Settlement Administration Costs** which are currently estimated to be Six Thousand Nine Hundred Fifty Dollars (\$6,950.00); and
- E. **PAGA Payment** in the amount of Seventy-Five Thousand Dollars (\$75,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$56,250.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$18,750.00) will be distributed to the non-exempt employees who worked for Defendant from August 11, 2019, to [DATE OF PRELIMINARY APPROVAL] for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as a non-exempt employee of Defendant from August 11, 2019, through [DATE OF PRELIMINARY APPROVAL]. (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

The Class Portion of your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties. The PAGA Portion of your Individual Settlement Payment will be allocated 100% as penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked **XXX** workweeks during the Class Period. The Class Portion of your Individual Settlement Payment is **\$XXX.XX**. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

You worked **XXX** workweeks during the PAGA Period. The PAGA Portion of your Individual Settlement Payment is **\$XXX.XX**.

This Amount was determined based on Defendant's record of your employment between from August 20, 2017, and [REDACTED], and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

ILYM Group, Inc.
2832 Walnut Avenue, Suite C
Tustin, CA 92780
(888) 250-6810

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement. However, if you choose to opt out of this Settlement, although you do not get a payment from the class action, you do not abandon your ability to pursue claims against Defendant individually.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" include Defendant and any of its past, present and/or future, direct and/or indirect, officers, directors, members, managers, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Class Claims" include all claims, rights, demands, liabilities and causes of actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in the operative complaint in the Action including factual claims regarding Defendant's alleged: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; , including any claims regarding failure to pay at the correct rate of pay; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment; and (viii) unfair business practices.

The "Class Period" during which the release of Released Class Claims pertains is from August 11, 2019, to [DATE OF PRELIMINARY APPROVAL].

Additionally, all current and former non-exempt employees of Defendant who were employed by Defendant in the state of California between August 19, 2022, and [DATE OF PRELIMINARY APPROVAL] shall release the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The "Released PAGA Claims" include: all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in the PAGA Letter provided to the LWDA and in the operative complaint including but not limited to penalties that could have been awarded pursuant to Labor Code sections 203, 210, 226, 226.3, 558, 1174.5, 1197.1, 1199, and 2699, as well as the Industrial Welfare Commission Wage Orders including Nos. 1, 4 and 16. This release shall apply to claims arising during the PAGA Period.

The "PAGA Period" during which the release of the Released PAGA Claims pertains is from August 19, 2022, to [DATE OF PRELIMINARY APPROVAL].

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must include a clear statement that you do not wish to be included in this action.

The written for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

ILYM Group, Inc.
2832 Walnut Avenue, Suite C
Tustin, CA 92780
(888) 250-6810

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant or the Released Parties, regarding the Released Class Claims.

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No. (except if you worked between August 19, 2022, and [DATE OF PRELIMINARY APPROVAL], in which case you will still receive the portion of your Individual Settlement Payment for claims that arise under PAGA.). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP. as Class Counsel. The firm's contact information is:

PROTECTION LAW GROUP LLP
Ryan Chuman, Esq.
Arnel O. Tan, Esq.
Joseph Marshall, Esq.
Christine V. Reyes, Esq.

149 Sheldon Street
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

Class Counsel will ask the Court for attorneys' fees of up to \$333,333.33 and reimbursement of litigation cost/expenses of up to \$20,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], 2025], in Department [REDACTED] of the Placer Superior Court – Historic Courthouse, located at 101 Maple Street, Auburn, CA 95603.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through the Placer County Superior Court's website at <https://www.placer.courts.ca.gov/online-services/remote-appearance-system>.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[REDACTED\].com](http://www.[REDACTED].com)

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [\[redacted\]](#) or by contacting the Settlement Administrator.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes ?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE