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on behalf of himself and others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN JOAQUIN**

JOHN PARDEE, on behalf of himself,  
and others similarly situated, the State  
of California, and the general public,

*Plaintiff,*

v.

HOLZ RUBBER COMPANY, INC., a  
California corporation; HR  
OUTSOURCING ASSOCIATES,  
LLC, a Delaware corporation; and  
DOES 1 through 50, inclusive,

*Defendants.*

Case No.: STK-CV-UOE-2023-0010123

CLASS ACTION

*Assigned for All Purposes to Hon. Jayne Lee, Dept.  
10C*

**DECLARATION OF ENOCH J. KIM IN  
SUPPORT OF PLAINTIFF'S UNOPPOSED  
MOTION FOR PRELIMINARY APPROVAL OF  
CLASS ACTION AND PAGA SETTLEMENT**

*[Filed concurrently with Notice of Motion and  
Motion; Memorandum of Points and Authorities;  
Declaration of John Pardee; and [Proposed] Order  
Granting Plaintiff's Motion for Preliminary Approval]*

Date:  
Time:  
Dept.: 10C

Original Complaint Filed: September 25, 2023  
First Amended Complaint Filed: November 29, 2023  
Second Amended Complaint Filed: December 16, 2024  
Trial Date: None Set

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1. I am an attorney licensed and admitted to practice before all courts of the State of California, the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiff John Pardee (“Plaintiff”), on behalf of himself, the State of California, and all other similarly situated employees of Defendant Holz Rubber Company, Inc. (“Defendant Holz Rubber”) and Defendant HR Outsourcing Associates, LLC (“Defendant HR Outsourcing”) (hereinafter Defendant Holz Rubber, and Defendant HR Outsourcing collectively referred to as “Defendants,” and Plaintiff and Defendants collectively referred to as the “Parties”).

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1 November 29, 2023, Plaintiff filed a First Amended Complaint adding a cause of action for penalties  
2 under PAGA.

3 4. After initiating the Action, the Parties agreed to explore resolution via mediation and  
4 engage in informal discovery in preparation for mediation.

5 5. On December 16, 2024, pursuant to the Settlement reached between the Parties at  
6 mediation, Plaintiff filed a Second Amended Complaint to include all Released Claims (defined  
7 below) and Released PAGA Claims (defined below), including the addition of Plaintiff's rounding  
8 claims and allegations and the appropriate refinement of Plaintiff's class and subclass definitions to  
9 comport with the Settlement ("Operative Complaint").

10 **Plaintiff's Claims And Defendant's Denials**

11 6. Plaintiff's claims are primarily based on Defendants' alleged failure to pay wages  
12 (including minimum and overtime wages), failure to provide meal and rest periods, failure to  
13 indemnify business expenses, the resulting failure to pay final wages when required and provide  
14 accurate wage statements, and largely derivative claims under the UCL and PAGA.

15 7. Specifically, Plaintiff alleges that Defendants required Plaintiff and Class Members  
16 to wait in long lines at the time clock, when arriving to work, and prior to clocking in. Additionally,  
17 Plaintiff and Class Members were required to perform work related tasks after clocking out for the  
18 day, including responding to calls from Defendants' clients as well as supervisors. Plaintiff further  
19 alleges that Defendants implemented an unlawful time-rounding policy and practice which rounded  
20 down and reduced the actual working hours recorded by Plaintiff and Class Members. Defendants'  
21 practice led to Plaintiff and Class Members not being compensated for all hours worked, resulting  
22 in unpaid regular and overtime wages.

23 8. Plaintiff also alleges that Plaintiff's and Class Members' meal periods were  
24 frequently interrupted with work related tasks, including completing customer orders and taking  
25 calls from customers. Accordingly, Defendants' practice denied Plaintiff and Class Members to take  
26 duty free meal periods, to which they were entitled, and suffer from short, late, and interrupted meal  
27 periods. Plaintiff also alleges that Defendant failed to pay the legally required premium at their  
28 regular rate of pay whenever meal periods were missed, interrupted, or late.

9. Plaintiff further alleges that Defendants maintained a policy or practice of not providing Plaintiff and Class Members of with net rest period of at least ten uninterrupted minutes for each four hour work period. Plaintiff also alleges that Defendants failed to pay the legally required premium at their regular rate of pay whenever rest periods were missed, interrupted, or late.

10. Additionally, Plaintiff alleges that Plaintiff and Class Members were required use their personal cellular phones and home internet to perform their job duties under Defendants' employ. However, Plaintiff and Class Members were not reimbursed for these necessary work-related expenses.

11. Defendants generally deny all claims alleged in the Action and further deny class and/or representative treatment is appropriate for any purpose other than this Settlement and that they complied with all applicable laws. However, after careful consideration, Defendants have concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein.

## Investigation

12. Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. This required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to the above-described research into the various legal issues involved in the case. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff's personnel file and other documentation; (4) interviewing Plaintiff regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendants; and (7) reviewing information provided by Defendants in response to informal discovery and in advance of the mediation. The Parties conducted their own evaluations of the potential recoveries based on the claims alleged in the Action, including consulting experts.

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13. Defendants, for their part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims and explore the possibility of settlement.

## Settlement Efforts

14. On July 26, 2024, the Parties participated in an all-day mediation with Brandon McKelvey, a respected and highly experienced mediator in wage and hour class actions. During mediation, counsel for Plaintiff and Defendants discussed all aspects of the case, including the risks associated with continued litigation and class certification issues, as well as the law and how it applied to the claims in this case. Following a full day of mediation, the Parties agreed to general settlement terms to resolve the lawsuit. The Parties continued to work together negotiating the long form settlement terms following mediation, as set forth in the Settlement Agreement.

15. From Class Counsel's review of the facts, strengths, and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believes that the recovery for each Class Member is fair and reasonable taking into consideration the amounts received in other wage and hour class actions, the risks inherent in litigation of this genre, and the reasonable tailoring of each Class Member's claim to the settlement award he or she will receive. Further, and based on the settlement negotiations, which were extensive and conducted in good faith and at arm's length between attorneys with substantial experience litigating class actions and wage and hour cases, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the Action.

## Summary of the Settlement

16. Under the terms of the proposed Settlement Agreement, Defendants have agreed to pay a non-reversionary settlement amount of \$600,000.00 (“Gross Settlement Amount” or “GSA”) and to separately pay any and all employer payroll taxes owed on the Wage Portions of the individual Settlement Awards. (Kim Decl., Ex. 1, ¶ 14). The Settlement Agreement defines “Class

Members” or “Settlement Class” as all persons employed by Defendants in California as a non-exempt employee from September 25, 2019 through September 24, 2024 (“Class Period”). The Settlement Agreement defines “PAGA Members,” or aggrieved employees with respect to PAGA, as all Class Members who worked any hours for Defendants in California from September 25, 2022 through September 24, 2024 (“PAGA Period”). (*Id.*, Ex. 1, ¶ 7). The “Net Settlement Amount,” available for distribution to Class Members, is the Gross Settlement Amount, less all Class Counsel’s attorneys’ fees and litigation costs, the Enhancement Award to the Class Representative, the PAGA penalty payment to the Labor and Workplace Development Agency (“LWDA”), and Settlement administration expenses. (*Id.*, Ex. 1, ¶ 15(c)). Settlement Awards to the Class Members, and PAGA Awards to the PAGA Members, will be calculated by the Settlement Administrator and paid out of the Net Settlement Amount. (*Id.*) The entire Net Settlement Amount will be paid out *pro rata* to Class Members who do not opt out, and to PAGA Members. (*Id.*) These amounts are detailed as follows:

- Up to one-third (33% 1/3) of the GSA, or \$200,000.00, to Class Counsel for Attorneys’ Fees, and up to \$20,000.00 to Class Counsel for reimbursement of reasonable expenses incurred to prosecute the Action (*Id.*, Ex. 1, ¶ 17);
- Up to \$10,000.00 to Plaintiff as an Enhancement Award for service as the class representative (*Id.*, Ex. 1, ¶ 15(c)(vi));
- Up to \$9,000.00 to the Settlement Administrator for its fees and costs to administer the Settlement (*Id.*, Ex. 1, ¶ 15(c)(vii));
- \$37,500.00 to the LWDA of the State of California for settlement of claims for civil penalties under PAGA, which will be paid out of the GSA, leaving \$12,500.00 as the Net PAGA Settlement Amount to be paid to PAGA Members. (*Id.*, Ex. 1, ¶ 15(c)(ii)).

17. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be \$311,000.00 in addition to the Net PAGA Settlement Amount of \$12,500.00. The Settlement Administrator will calculate the amount to be paid to each Class Member (“Settlement Award”) based on the number of workweeks the Class Member worked during the Class Period and the amount to be paid to each PAGA Member (“PAGA Award”) based

1 on the number of workweeks the PAGA Member worked during the PAGA Period. (*Id.*, Ex. 1, ¶  
2 15(c)(i)). For the 193 Class Members (if no exclusions), the average individual Settlement Award,  
3 using a straight average, is approximately \$1,611.40. If the Court approves a lesser amount for any  
4 of the above requested allocations from the Net Settlement Amount, the remainder will be added to  
5 the Net Settlement Amount to be distributed to Class Members. (Ex. 1, ¶¶ 15(c)(vi), 15(c)(vii), and  
6 17.)

7 18. The Class Notice is attached to the Settlement Agreement as Exhibit 1. The  
8 Settlement Administrator will mail the Class Notice by first-class mail to all Class Members no later  
9 than 45 days after receiving the Class Members' names, last-known addresses, last-known telephone  
10 numbers, Social Security Numbers and the number of work weeks during the Class Period and the  
11 PAGA Period ("Class Data"). (*Id.*, Ex. 1, ¶ 19(a)). The Class Notice includes a summary of the case  
12 and settlement terms and provides Class Members with detailed instructions on how to exclude  
13 themselves, object to the settlement, and dispute the number of workweeks and/or pay periods  
14 attributed to each Class Member per Defendant's records. (*Id.*, Ex. 1, Ex. A). Class Members will  
15 have 45 calendar days from the mailing of the Class Notice to opt out of or object to the Settlement;  
16 Class Members will have maximum of fifteen (15) calendar days from the date of the re-mailing  
17 due to an undeliverable notice to cure the deficiency, or until the end of the opt out deadline,  
18 whichever is later. (*Id.*, Ex. 1, ¶¶ 19(b), 22 and 23).

19 **Certification for Settlement Purposes Only is Appropriate**

20 19. Plaintiff alleges that the proposed Class satisfies the criteria for certification of a  
21 settlement class under California law, as embodied in California Code of Civil Procedure § 382.  
22 Defendants have agreed to the conditional certification of the class for settlement purposes only.  
23 Defendants do not concede that certification is appropriate outside of this Settlement and preserve  
24 all rights to oppose certification if, for any reason, the settlement does not become effective. In  
25 general, courts may take a proposed settlement into account in evaluating the propriety of class  
26 certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a "lesser  
27 standard" of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court

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1 should take into consideration the fact that the Parties have settled their claims and stipulated to  
2 certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

3       20.     Numerosity and Ascertainability. The putative Class is so numerous that joinder of  
4 all members is impractical. Class Members are all current and former non-exempt employees of  
5 Defendants employed in California during the Class Period (September 25, 2019 through September  
6 24, 2024). Defendants have identified 193 Class Members based on review of its payroll and  
7 personnel records. Thus, there is numerosity and ascertainability.

8       21.     Well-Defined Community of Interest. Plaintiff contends, and Defendants do not  
9 dispute for settlement purposes only, that common issues of fact and law predominate as to each of  
10 the claims alleged by Plaintiff, and the Class is united in its proof. This action involves, *inter alia*,  
11 a determination about Defendants' alleged failure to provide meal and rest periods, failure to pay  
12 minimum wages and overtime due to allegedly common off-the-clock work policies, failure to  
13 reimburse business expenses; the resulting failure to pay final wages when required and to provide  
14 accurate wage statements; and largely derivative claims under the UCL and PAGA. Plaintiff  
15 contends Defendants' practices affected Class Members in the same way and present questions that  
16 are suitable for common adjudication because all Class Members were subject to the same  
17 employment policies and practices. The outcome of litigation in this matter depends upon questions  
18 that are common to Class Members.

19       22.     Typicality. The class representatives' claims are typical when they arise from the  
20 same event, practice, or course of conduct that gives rise to the claims of other putative Class  
21 Members, and if their claims rest on the same legal theories. Here, Plaintiff alleges that his claims  
22 are typical of Class Members' claims because they arose from the same factual basis and are based  
23 on the same legal theories. Plaintiff and Class Members were employed by Defendants during the  
24 Class Period and subject to the allegedly unlawful meal and rest policies and pay practices at issue  
25 in this litigation. Thus, the typicality requirement is satisfied.

26       23.     Adequacy. Plaintiff's interests are aligned with those of the Class Members, as he  
27 has suffered the same injuries as the Class Members and has no conflicts of interest. Plaintiff has  
28 not shrunk from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and

1 energy to litigating this action and effectuating a settlement. Furthermore, as set forth below, Class  
2 Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously  
3 represented the interests of the class in litigating this case and have no conflicts of interest.  
4 Accordingly, the adequacy requirement is satisfied.

5         24.     Predominance and Superiority. Plaintiff contends that individualized issues do not  
6 predominate over the issues of law and fact that are common to the Class as a whole. As explained,  
7 *supra*, Plaintiff allege there are common issues of law and fact given that Plaintiff and all Class  
8 Members were subjected to the same policies and pay practices during the relevant time period.  
9 Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime,  
10 reimbursement for business expenses, sick pay, and penalties for work performed as non-exempt  
11 employees for Defendants. Plaintiff alleges that these issues are suitable for common adjudication  
12 because all Class Members were subject to the same employment policies, and Plaintiff contends  
13 the practices applied uniformly to all Class Members.

14         25.     Plaintiff contends that class resolution is superior to other available methods for the  
15 fair and efficient adjudication of the controversy as there is little interest or incentive for Class  
16 Members to individually control the prosecution of separate actions. Although the alleged injury  
17 resulting from Defendants' policies and practices are allegedly real and significant, the cost of  
18 individually litigating each such case against Defendants would easily exceed the value of any relief  
19 that could be obtained by any one Class Member individually. If Class Members are forced to litigate  
20 their claims individually this would result in over 193 individual actions against Defendants. Here,  
21 the alternative methods of resolution are individual suits for relatively small amounts. Hence, an  
22 individual suit would prove uneconomical for potential plaintiffs because litigation costs would  
23 dwarf a potential recovery.

24                     **The Settlement is Fair, Adequate and Reasonable**

25         26.     In deciding whether to approve a proposed class action settlement, the Court must  
26 find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of  
27 approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as  
28 "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further

litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement.” *Id.* The Settlement satisfies all of these requirements.

**A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.**

27. The proposed Settlement was reached as a result of arm’s length negotiations after the completion of pertinent discovery and the exchange of necessary class data. The negotiations have been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, “a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion.”). Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that there were substantial risks and uncertainty in proceeding with litigation. Defendants presented multiple defenses to Plaintiff’s claims, both on the merits and with respect to class certification. Thus, while Plaintiff was prepared to litigate these claims through class certification, and ultimately trial, success was far from certain. Assistance from a well-respected mediator ensured negotiations were non-collusive and well-informed.

**B. Extent of Discovery and Stage of Proceedings.**

28. As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendants’ defenses. This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses.

**C. Strength of Plaintiff’s Case and the Risk, Expense, Complexity and Likely Duration of Any Litigation.**

29. As stated above, while Plaintiff and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense and delay of continued litigation. Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. This would have required expenditure

1 of substantial time and resources by both Parties that would have very likely spanned several years.  
2 Even if Plaintiff were to certify the classes, the parties would incur considerably more attorney fees  
3 and costs through a possible decertification motion, trial, and possible appeal. This Settlement  
4 avoids those risks and the accompanying expense.

5 **D. The Risk of Maintaining Class Action Status Through Trial.**

6 30. Plaintiff has not yet filed his motion for class certification, and as such, the extent to  
7 which Plaintiff proposed classes were certifiable is somewhat speculative. Absent settlement, there  
8 was a risk that there would not be a certified class at the time of trial, or if there were, it could consist  
9 of a significantly smaller group of employees than the proposed Settlement Class resulting in less  
10 overall recovery.

11 31. Finally, in class actions, decertification is always a possibility, and there is always a  
12 risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat.*  
13 *Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions  
14 and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial  
15 would have also required expert witnesses, the accrual of extensive litigation costs, and the  
16 commitment of extensive further time and financial resources. Finally, given the complexity and  
17 unsettled nature of the issues, it is likely that any outcome at trial would have resulted in a lengthy  
18 and costly appeal. An appeal would result in further delay for the Class Members who have already  
19 waited years for resolution in this matter. Risk and legal uncertainty must be dealt with in any  
20 litigation, and this Settlement was the product of compromise accounting for those risks and that  
21 uncertainty.

22 **E. The Presence of a Governmental Participant.**

23 32. On March 20, 2025, Plaintiff submitted the Class Action and PAGA Settlement  
24 Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement  
25 and supporting documents to the LWDA. A true and correct copy of the confirmatory email from  
26 the LWDA is attached hereto as **Exhibit 2.**

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**F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.**

33. Because the class consists of numerous employees, it was unlikely that the potential monetary claims of individual Class Members would have proved viable without the class-action mechanism. The Settlement Agreement should be approved in light of two California appellate decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

34. The strength of the Plaintiff's case in light of the settlement amount is deemed by courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendants failed to pay minimum wages and overtime, failed to provide meal and rest breaks, failed to provide accurate wage statements, failed to pay all wages upon termination, failed to pay all sick pay owed, failed to pay proper reporting time, and failed to reimburse for business expenses, all in violation of California law. Plaintiff seeks related violations of California's Business & Professions Code, penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for estimated liability for each of these claims follow.

Failure to Pay Minimum Wages and Overtime:

35. Plaintiff alleges that Defendants failed to pay Plaintiff and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. Specifically, Plaintiff and Class Members were systematically required to wait in long lines at the time clock prior to clocking in. Furthermore, Plaintiff and Class Members were required to perform work related tasks after clocking out for the day, including responding to calls from Defendants' clients as well as supervisors. Additionally, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiff and Class Members, and upon which their pay was based, and generally did so to the detriment of the Plaintiff and the Class Members. Defendants argued that these claims were not suitable for class treatment given the individualized issues they raise and the manageability difficulties. Defendants further argued that they did not

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1 require off-the-clock work, lawfully rounded time, and correctly calculated and paid overtime wages  
2 under California law.

3 36. Plaintiff's expert estimated Defendants' exposure on unpaid wages claims to be  
4 approximately \$267,764.00 calculated as follows: (9,000 off the clock hours (assuming 30 minutes  
5 per workweek) x \$29.75 average rate of pay (assuming 89.6% of off the clock hours attributable to  
6 overtime). However, given Defendants' defenses and the potential hurdles facing certification of  
7 off-the-clock claims, Class Counsel applied an 80%<sup>1</sup> discount making for an adjusted realistic  
8 exposure of \$53,552.80 for Defendants.

9 Meal Periods and Rest Breaks:

10 37. Meal Breaks: Plaintiff argued that Defendants had a common practice and policy of  
11 denying compliant meal periods. Specifically, due to understaffing and heavy workloads, Plaintiff  
12 alleges that Plaintiff and Class Members' meal periods were regularly interrupted with work related  
13 tasks, including completing customer orders and taking calls from customers. As such, Plaintiff and  
14 Class Members were not provided the opportunity to take full uninterrupted thirty (30) minute meal  
15 periods in accordance with California law

16 38. Furthermore, for each meal period missed, of less than 30 minutes, or taken late for which  
17 the employee was not provided a reasonable opportunity to take a complete and timely meal period,  
18 an employer must pay the employee an additional one hour of compensation at employees' regular  
19 rate of pay. Labor Code § 226.7. This additional hour of compensation is referred to as "premium  
20 pay." To comply with these laws, every employer must keep, for each employee, accurate time  
21 records showing when the employee begins and ends each work period and takes his or her meal  
22 periods. See Wage Order 4-2001(7)(A)(3). Plaintiff alleged that Defendants failed to pay premium  
23 pay to Plaintiff and Class Members whenever meal periods were missed, interrupted, or late.

24 39. Defendants disagreed with Plaintiff's contentions regarding meal breaks. Defendants  
25 argued that their written meal break policies were valid and disseminated to all employees and that  
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27  
28 <sup>1</sup> Considering such discount for risk at certification and trial is reasonable because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement or as part of a contested certification motion. See Findings of the Study of California Class Action Litigation, 2000-2006, available at <https://courts.ca.gov/sites/default/files/courts/default/2024-12/class-action-lit-study.pdf>.

1 Class Members had executed meal period waivers. Defendants contended that Class Members were  
2 given a reasonable opportunity to take their meal periods, and in fact received their meal periods  
3 most of the time. Defendants also contended that differences in how the various employees  
4 performed their daily duties would have led to individualized issues predominating and precluded  
5 class certification.

6 40. Plaintiff's expert estimated Defendants' maximum total exposure on the meal break claim  
7 at approximately \$60,954.00 (3,272 unique meal break violations x \$20.45 regular rate of pay less  
8 \$5,963 in meal period premiums paid). However, Class Counsel believes this estimate is high given  
9 Defendants' defenses and the potential for individualized issues to become a significant obstacle to  
10 certification of this claim. As such, Class Counsel provided an 80% discount making Defendants'  
11 adjusted realistic exposure \$12,190.80.

12 41. Rest Breaks: The same argument applied to rest breaks. Plaintiff contended that  
13 Defendants did not provide Class Members with timely paid 10-minute rest breaks for every four  
14 hours or major fraction thereof. Plaintiff contended that Class Members were required to work  
15 through their rest breaks and through their entire shifts.

16 42. Defendants maintained that it provided the reasonable opportunity for Class Members to  
17 take duty-free rest breaks. Defendants also pointed out that, unlike meal periods, rest breaks need  
18 not be recorded and as such, any violations would likely be difficult to prove at trial and potentially  
19 depress the damages ultimately awarded. In light of these considerations, Class Counsel applied  
20 significant and appropriate discounts to the rest break claim as well.

21 43. Plaintiff's expert estimated Defendants' maximum total exposure on the rest break claim  
22 at approximately \$1,715,919.00 (80,527 rest break violations (assuming 100% violation rate for  
23 shifts greater than 3.5 hours) x \$21.31 average hourly rate of pay). Given the challenges facing  
24 certification of the rest break claim, Class Counsel discounted this amount by 80% to get an adjusted  
25 realistic exposure of \$343,183.80.

26 Failure to Reimburse for Necessary Business Expenditures:

27 44. Under Labor Code § 22802(a) Defendants must indemnify Plaintiff and Class Members  
28 for all necessary expenditures or losses incurred in direct consequence of the discharge of their

1 duties. As discussed above, Plaintiff alleges that Plaintiff and Class Members incurred necessary  
2 expenditures in the performance of their job duties for Defendants. Specifically, Plaintiff and Class  
3 Members were required to use their personal cell phones and home internet to perform their job  
4 duties under Defendants' employ. However, Plaintiff and Class Members were not reimbursed for  
5 these necessary work-related expenses.

6 45. Plaintiff's expert estimated Defendants' maximum total exposure to unreimbursed  
7 business expenses liability at approximately \$44,997.50 (assuming \$10 per month). However, given  
8 Defendants' reimbursement policy and the potential for the need for individualized inquiries making  
9 class certification of this claim difficult, Class Counsel applied a discount of 80% to get an adjusted  
10 realistic exposure of \$8,999.50.

11 Inaccurate Wage Statement Violations:

12 46. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover \$50 for initial  
13 violations for inaccurate wage statements and \$100 for subsequent violations, up to a maximum of  
14 \$4,000 per employee. Plaintiff alleged Defendants issued wage statements to Plaintiff and Class  
15 Members that did not accurately list all hours worked by omitting off-the-clock work and  
16 inaccurately listing applicable hourly rates.

17 47. Defendants challenged Plaintiff's claim for Labor Code § 226(e) penalties, including by  
18 arguing they were merely derivative of the other claims that lacked merit, and Plaintiff's failure to  
19 prove the underlying claims could result in the dismissal of these derivative claims. Defendants also  
20 argued that it did not knowingly and intentionally commit these alleged violations. *See, e.g.*, Labor  
21 Code § 226(e) (recovery of penalties requires showing there was "a knowing and intentional failure  
22 by an employer").

23 48. Plaintiff's expert estimated Defendants' maximum total exposure on the section 226  
24 claim at approximately \$357,150.00 ((\$50 for initial violations x 119 employees from relevant  
25 period) + (\$100 for subsequent violations x 3,512 estimated number of pay periods after subtracting  
26 the initial violations during the relevant period)). After considering Defendants' contentions and the  
27 potential class certification issues, Class Counsel discounted this amount by 80% to get an adjusted  
28 realistic exposure of \$71,430.00.

1 Failure to Pay Final Wages at Termination or Separation:

2 49. In allegedly failing to pay Plaintiff and Class Members their minimum wages, overtime  
3 wages, premium pay for deficiently provided meal periods and rest breaks, and necessary  
4 expenditures, all discussed above, Plaintiff alleged that Defendants willfully failed to pay Class  
5 Members all wages due and certain at the time of termination or within seventy-two (72) hours of  
6 resignation, as required under Labor Code § 203.

7 50. Section 203 further provides that if an employer willfully fails to pay an employee all  
8 wages due at termination or within 72 hours of resignation, then that employee's wages will continue  
9 as a penalty until paid for a period of up to 30 days from the date they were due. Because some  
10 Class Members stopped working for Defendants but were allegedly not paid their full compensation  
11 for the reasons discussed above, Class Members did not receive all wages due upon termination of  
12 employment.

13 51. Defendants challenged this claim under Labor Code § 203 with several arguments,  
14 including that this claim is merely derivative of the other claims that lacked merit and that under  
15 Labor Code § 203, employers are only obligated to pay waiting-time penalties if they "willfully"  
16 fail to pay wages due and owing at the time of termination or resignation. As Title 8, California  
17 Code of Regulations, § 13520 states: "A willful failure to pay wages within the meaning of Labor  
18 Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when  
19 those wages are due. However, a good faith dispute that any wages are due will preclude imposition  
20 of waiting time penalties under Section 203." Defendants argued that their good faith disputes and  
21 lack of willfulness would excuse its violations. Defendants maintained that because they had viable  
22 defenses in both law and fact, such penalties were subject to a three-year limitations period under  
23 Labor Code § 203(b).

24 52. Plaintiff's expert estimated Defendants' maximum total exposure on the section 203  
25 claim at approximately \$438,758.10 (90 terminated employees during the relevant period x 30  
26 days x \$20.57 average hourly rate per year x 7.9 hours per work day). Given the foregoing  
27 arguments, Class Counsel discounted this amount by 80% to get an adjusted realistic exposure of  
28 \$81,751.62.

1 Unpaid Sick Pay:

2 53. While not specifically alleged, Labor Code Section 246 affords an employee “who works  
3 in California for 30 or more days within a year from the commencement of employment [] paid sick  
4 days . . . of not less than one hour per every 30 hours worked” and “no less than 24 hours of accrued  
5 sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in  
6 each 12-month period.” Class Counsel expert’s damages analysis revealed that Defendants had a  
7 common policy and practice of systemically failing to pay Class Members the requisite sick time  
8 pay in accordance with California Law, at the employees’ applicable regular rates of pay.  
9 Specifically, Class Members worked for Defendants for more than 30 days, but were not paid at  
10 least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12-  
11 month period of work. Plaintiff’s expert estimated Defendants’ maximum total exposure on the  
12 unpaid sick pay claim at approximately \$1,930.00.

13 PAGA Penalties:

14 54. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq.*, allows  
15 Plaintiff to obtain civil penalties on behalf of himself and other aggrieved employees for  
16 Defendants’ violation of any provision of the Labor Code enumerated under Labor Code § 2699.5.  
17 Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil  
18 penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each  
19 aggrieved employee per pay period for the initial violation. Pursuant to Labor Code § 2699(i),  
20 seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce  
21 Development Agency (LWDA), with the remaining twenty-five (25) percent allocated to the  
22 affected employees. The limitations period as for all penalties is one year prior to the filing of the  
23 complaint.

24 55. The provisions of the Labor Code potentially triggering PAGA penalties in this case  
25 include but are not limited to Labor Code §§ 203, 226(a), 226.3, 226.7, 510, and 1194. PAGA  
26 penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that “a court  
27 may award a lesser amount than the maximum civil penalty amount specified by this part if, based  
28 on the facts and circumstances of the particular case, to do otherwise would result in an award that

1 is unjust, arbitrary and oppressive, or confiscatory.” See *Thurman v. Bayshore* (2012) 203 Cal. App.  
2 4th 1112 (substantially reducing PAGA penalties by 30% under this provision). Defendants  
3 contested Plaintiff’s claim for PAGA penalties.

4 56. PAGA penalties are also derivative of each and every other claim, and Defendants argued  
5 the PAGA claims would be subject to the same defenses as the underlying claims, and as well as  
6 additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas*  
7 *Corp.* (2008) 163 Cal.App.4th 1157, Defendants asserted that penalties under PAGA could, at best,  
8 be awarded only at the rates obtainable for initial violations under the applicable statutes, because  
9 Defendants had never been notified of the alleged violations. *Id.* at 1208-1209.

10 57. Class Counsel estimated Defendants’ maximum total exposure on PAGA claims at  
11 approximately \$363,100.00 (3,631 PAGA Pay Periods x \$100). However, Class Counsel also  
12 estimated any PAGA recovery would be substantially reduced, and applied discounts in light of the  
13 countervailing arguments with regard to the other causes of action and the Court’s power to award  
14 “a lesser amount than the maximum civil liability.” The PAGA allocation agreed upon by the Parties  
15 therefore was \$50,000.00, subject to the Court’s final approval.

16 Unfair Business Practices

17 58. Plaintiff pled this cause of action to augment their other causes of action and aid in their  
18 prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff’s  
19 wage claims, which qualify as unfair business practices, to four years rather than the three years  
20 provided by statute.

21 Summary

22 59. The foregoing discussion establishes the adequacy of the Settlement amount in light of  
23 the merits of Plaintiff’s case and establishes the fairness of the class-action settlement in the  
24 instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by  
25 explaining the legal basis for each of Plaintiff’s causes of action, summarizing the evidence that  
26 Class Counsel gathered in support of those causes of action, and relating to Defendants’ legal and  
27 factual arguments that worked to detract from the strength of Plaintiff’s case.

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60. Class Counsel had to apply appropriate discounts in light of the facts and law as discussed above. In addition, Defendants argued that said employees were dissimilarly situated co-workers, making the certification of all Class Members less than a certainty. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiff estimated that Defendants faced approximately \$936,138.52 in total realistic exposure on Plaintiffs' main claims. The Gross Settlement Amount of **\$600,000.00** therefore represents a recovery for the Class Members of approximately 64.09% of the total realistic exposure Plaintiff estimated Defendants could face on these class-wide claims.

**Class Counsel Fees Payment is Fair and Reasonable**

61. Under the Settlement, Class Counsel requests, without opposition from Defendant, an award of \$200,000.00 for attorneys' fees and up to \$20,000.00 for reasonable expenses incurred to prosecute the Action. This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in the first place as they will not receive any compensation for their efforts until recovery is obtained for the Class. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Class Members, communicating with Class Members regarding their claims, and assisting in the administration of the Settlement if it is preliminarily approved. The requested fee is reasonable for the services provided to Class Members and for the benefits they are to receive.

**Class Representative Enhancement Award is Fair and Reasonable**

62. Plaintiff is entitled to a reasonable enhancement award for his efforts and initiative in bringing and helping to prosecute this action. Plaintiff spent significant time better apprising himself of his rights, deciding whether remedial action should be taken, how it should be taken, searching for attorneys, and contacting Class Counsel, who spent many hours with Plaintiff discussing the case and the law. In the end, Plaintiff decided to vindicate not only his own rights but also those of co-workers by filing a class action lawsuit.

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63. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on to discuss every aspect of his case. Plaintiff provided Class Counsel with information about Defendants and about the industry generally, produced and reviewed documents, identified witnesses, consulted with Class Counsel regarding litigation strategy, participated in the mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and signed the Settlement Agreement.

64. In light of the foregoing, Class Counsel believes that the enhancement award in the amount of \$10,000.00 to the Class Representative is fair and reasonable.

**Proposed Class Notice Provides Adequate Notice**

65. The notification procedure set out in the Settlement Agreement provides the greatest likelihood that each and every Class Member will receive the Class and PAGA Notice, attached to the Settlement as Exhibit A. Under the Settlement, the Settlement Administrator will mail the Class and PAGA Notice to the Class Members via first-class mail no later than 45 days following the preliminary approval of the Settlement. (*Id.*, Ex. 1, ¶ 19(a)). If any Notices Packets are returned undeliverable, the Settlement Administrator shall resend to the forwarding address, if any, on the returned envelope. (*Id.*) If there is no forwarding address, the Settlement Administrator will do an NCOA check and will skip-trace return mail and re-mail within three (3) business days of receipt using the Class Member's Social Security Number. (*Id.*) This is the best and most practicable way to ensure the greatest possible number of Class Members will receive the Class and PAGA Notice.

66. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. It provides for a specific procedure to seek exclusion from the Class, disputing Class data, and for lodging objections to the settlement. In the Class Notice, Class Members will also receive Class Counsel's contact information so they can speak to attorneys conversant with the legal and factual issues involved in this case, as well as the contact information for the Settlement Administrator. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the settlement are reasonable and provide the best notice practicable under the facts.

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68. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and aggrieved employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

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DECLARATION OF ENOCH J. KIM IN SUPPORT OF PLAINTIFF’S MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

1 Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v.  
2 Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3  
3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk  
4 Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont  
5 Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT  
6 Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa  
7 MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court  
8 of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California,  
9 Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church &  
10 Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL  
11 Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo  
12 Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account  
13 Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369),  
14 Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421),  
15 Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v.  
16 Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha  
17 Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-  
18 CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of  
19 California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court  
20 of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern  
21 District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al.  
22 (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc.  
23 (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc.  
24 (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat  
25 International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care  
26 Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v.  
27 OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743),  
28 Viridi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS

1 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-  
2 CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San  
3 Diego, 37-2020-00008179-CU-OE-NC), among others.

4 70. I am Senior Counsel at D.Law where I manage the class action and PAGA settlement  
5 department. I was admitted to the California Bar in December 2008. I received my J.D. from  
6 Pepperdine University School of Law and B.S. from University of Southern California. Since  
7 graduating from law school, I have dedicated virtually my entire career on the practice of  
8 employment law. I have practiced employment law from the plaintiff's side, defense side, and from  
9 an in-house position. I have significant experience specifically working on wage and hour class  
10 actions from the plaintiff's side as well as the defense side, with the majority of my experience  
11 coming from the plaintiff's side.

12 71. Attorney David Yeremian is Managing Attorney at D.Law and counsel of record for  
13 Plaintiff. Mr. Yeremian graduated from UC Berkeley in 1997 and received his law degree and MBA  
14 from UCLA in 2001. Mr. Yeremian has been honored as a Super Lawyers Rising Star in 2009, 2010,  
15 2012-2015 and has been named and honored as a Super Lawyer. Since 2007, Mr. Yeremian has  
16 focused exclusively on representing employees, including in wage-and-hour class actions. During  
17 his career, Mr. Yeremian has represented employees in hundreds of wage-and-hour class action  
18 lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern, and Northern  
19 Districts of California), and has obtained six and seven-figure settlements against a range of  
20 defendants, including Fortune 500 companies.

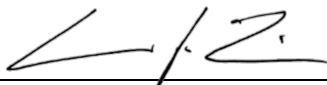
21 72. The collective experience of the D.Law attorneys in litigating employment wage and hour  
22 matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a  
23 case, and generally negotiating fair and reasonable class and representative action settlements.  
24 Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the  
25 constantly evolving substantive law (state and federal), as well as the procedural law of class and  
26 representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the  
27 skills and knowledge developed over decades of prosecuting and defending wage and hour class  
28 actions to fairly and adequately represent the interests of the Class Members and aggrieved

1 employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law  
2 are well-qualified to act as class counsel and represent the Plaintiff and the putative Class Members  
3 and aggrieved employees in this action.

4 73. We understand the responsibilities owed as counsel to the Settlement Class Members  
5 and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated the claims  
6 asserted in this action, and have remained committed to dedicating the resources necessary to  
7 represent the Settlement Class and vigorously pursue their claims. Based upon my experience and  
8 understanding of the claims and defenses in this action, I believe the settlement is fair, adequate,  
9 and reasonable for the Class Members and Aggrieved Employees and all involved, and that the  
10 Settlement is well within the range of reasonableness that would permit it to be finally approved. I  
11 am not aware of any conflict of interest with Plaintiff or any other Class Member that would  
12 interfere with the duties as Class Counsel.

13 I declare under penalty of perjury under the laws of the State of California that the  
14 foregoing is true and correct.

15 Executed this 20th day of March, 2025, at Glendale, California.

16   
17 \_\_\_\_\_  
Enoch J. Kim

# EXHIBIT 1

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Attorneys for Defendants  
 HOLZ RUBBER COMPANY, INC.  
 and HR OUTSOURCING ASSOCIATES, LLC

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN JOAQUIN

JOHN PARDEE, on behalf of himself  
 and all others similarly situated, and the general  
 public,

Plaintiff,

v.

HOLZ RUBBER COMPANY, INC., a  
 California corporation; HR OUTSOURCING  
 ASSOCIATES, LLC, a Delaware corporation;  
 and DOES 1 through 50, inclusive,

Defendants.

Case No. STK-CV-UOE-2023-0010123

ASSIGNED FOR ALL PURPOSES TO:  
 THE HONORABLE JAYNE LEE,  
 DEPARTMENT 10C

**JOINT STIPULATION OF CLASS  
 ACTION AND PAGA SETTLEMENT  
 AND RELEASE OF CLAIMS BETWEEN  
 PLAINTIFF JOHN PARDEE AND  
 DEFENDANTS HOLZ RUBBER  
 COMPANY, INC. AND HR  
 OUTSOURCING ASSOCIATES, INC.**

Complaint Filed: September 25, 2023  
 FAC Filed: November 29, 2023  
 Trial Date: None Set

1 This Joint Stipulation of Class Action and PAGA Settlement and Release (“Stipulation of  
2 Settlement” or “Settlement”) is made and entered into by and between Plaintiff John Pardee, on  
3 behalf of himself and all others similarly situated, the general public, and aggrieved employees  
4 (“Plaintiff”) and Defendants Holz Rubber Company, Inc. (“Holz Rubber”) and HR Outsourcing  
5 Associates, LLC. (collectively, “Defendants”).

6 This Stipulation of Settlement shall be binding on Plaintiff and those persons Plaintiff seeks  
7 to represent, and on: (i) Defendants Holz Rubber Company, Inc. and HR Outsourcing Associates,  
8 LLC; (ii) each of Defendants’ respective, present and future parents (including Paychex, Inc.),  
9 subsidiaries, partners, affiliates, brands, including, without limitation, any corporation, limited  
10 liability company or partnership; (iii) the past, present and future board members, directors,  
11 officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,  
12 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,  
13 successors and assigns of any of the foregoing; and (iv) any individual or entity which could be  
14 jointly liable with any of the foregoing (collectively, “Released Parties”). The Settlement  
15 contemplated by this Stipulation of Settlement may hereinafter be referred to as the “Settlement.”

16 THE PARTIES STIPULATE AND AGREE as follows:

17 1. Plaintiff and Defendants are collectively referred to herein as “the Parties.”

18 2. On September 24, 2023, Plaintiff sent a letter to the Labor and Workplace  
19 Development Agency (“LWDA”) alleging violations of the Private Attorneys General Act  
20 (“PAGA”) against Defendants for the “Released PAGA Claims,” as defined below.

21 3. On September 25, 2023, Plaintiff filed a Class Action Complaint in the San Joaquin  
22 County Superior Court, asserting the following nine causes of against Defendants: (1) Failure to  
23 Provide Meal Periods (Labor Code §§ 204, 223, 226.7, 512, and 1198); (2) Failure to Provide Rest  
24 Periods (Labor Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime  
25 (Labor Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Provide Reporting  
26 Time Wages; (5) Failure to Pay Proper Sick Pay (Labor Code § 246); (6) Failure to Provide  
27 Accurate Wage Statements (Labor Code § 226(a)); (7) Failure to Timely Pay All Final Wages

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1 (Labor Code §§ 201, 202, and 203); (8) Failure to Indemnify (Labor Code § 2802); and (9) Unfair  
2 Competition (Business and Professions Code §§ 17200 *et seq.*).

3 4. November 29, 2023, Plaintiff filed a First Amended Class Action and PAGA  
4 Enforcement Complaint against Defendants realleging his prior class claims and adding a cause of  
5 action for violations of PAGA, Labor Code section 2698, *et seq.*

6 5. After Plaintiff's service of the Action, the Parties explored settlement by  
7 exchanging pre-settlement documents and data, including a randomly selected sample of time  
8 clock and payroll records. After the pre-mediation production and assessment, the Parties engaged  
9 in arms-length settlement negotiations and participated in private mediation before a well-  
10 respected mediator. The Parties reached an arms-length Settlement of the Action at the mediation  
11 through a mediator's proposal, which has been memorialized into this Stipulation of Settlement.

12 6. On December 16, 2024, and pursuant to the Settlement, Plaintiff filed a Second  
13 Amended Complaint and PAGA Enforcement Action to include all to include all Released Claims  
14 (defined below) and Released PAGA Claims (defined below) ("Operative Complaint" or  
15 "Action"), including the addition of Plaintiff's rounding claims and allegations and the appropriate  
16 refinement of Plaintiff's class and subclass definitions to comport with the Settlement. The "Class  
17 Period" is from September 25, 2019 through September 24, 2024. The "PAGA Period" is from  
18 September 25, 2022 through September 24, 2024. This Action has been actively litigated. There  
19 have been on-going investigations, there has been an exchange of documentation and data, and the  
20 Parties have participated in extensive settlement negotiations and private mediation. Plaintiff has  
21 not filed a motion for class certification in this Action, nor has a date been set by the Court for the  
22 filing of such a motion.

23 7. For purposes of this Settlement, the "Settlement Class" or "Class Members" shall  
24 consist of all persons employed by Defendants in California as a non-exempt employee from  
25 September 25, 2019 through September 24, 2024. The Settlement Class, however, shall not include  
26 any person who previously settled or released any of the claims covered by this Settlement, any  
27 person who previously was paid or received awards through civil or administrative actions for the  
28 claims covered by this Settlement, or any person who submits a timely and valid Request for

1 Exclusion as provided in this Settlement. All Class Members who worked any hours for  
2 Defendants in California from September 25, 2022 through September 24, 2024 are aggrieved  
3 employees with respect to PAGA (“PAGA Members”), and will be paid their PAGA Share and  
4 release the “Released PAGA Claims” regardless of whether they submit a timely and valid Request  
5 for Exclusion from the Settlement. PAGA Members are not eligible to exclude themselves from,  
6 or to opt out of, the Released PAGA Claims.

7 8. Solely for purpose of settling this case, the Parties stipulate and agree that the  
8 requisites for establishing class certification with respect to the Settlement Class have been met  
9 and are met for Settlement purposes only. More specifically, the Parties stipulate and agree that:

10 a. The Settlement Class is ascertainable and so numerous as to make it  
11 impracticable to join all Class Members.

12 b. There are common questions of law and fact, including but not limited to  
13 the following:

14 i. Whether Defendants complied with applicable laws affecting  
15 Plaintiff and the Settlement Class under the California Labor Code and the Wage Orders of the  
16 California Industrial Welfare Commission; and

17 ii. Whether Plaintiff and the Settlement Class are entitled to alleged  
18 unpaid wages, penalties, interest, and attorneys’ fees and costs.

19 c. Plaintiff believes that Plaintiff’s claims are typical of the claims of the  
20 members of the Settlement Class.

21 d. Plaintiff believes that Plaintiff will fairly and adequately protect the  
22 interests of the Settlement Class, and that D.Law, Inc. should be “Class Counsel” and will fairly  
23 and adequately protect the interests of the Settlement Class.

24 e. The prosecution of separate actions by individual members of the  
25 Settlement Class would create the risk of inconsistent or varying adjudications, which would  
26 establish incompatible standards of conduct.

27 f. With respect to the Settlement Class, Plaintiff believes that questions of law  
28 and fact common to the members of the Settlement Class predominate over any questions affecting

1 any individual member in such Class, and a class action is superior to other available means for  
2 the fair and efficient adjudication of the controversy.

3 9. Defendants deny any liability or wrongdoing of any kind whatsoever associated  
4 with the claims alleged in the Complaint, and further denies that, for any purpose other than settling  
5 this Action, this Action is appropriate for class or representative treatment. With respect to  
6 Plaintiff's claims, Defendants contend, among other things, that they have complied with all  
7 applicable state, federal and local laws affecting Plaintiff and the Settlement Class.

8 10. It is the desire of the Parties to fully, finally and forever settle, compromise and  
9 discharge all disputes and claims arising from the allegations and causes of action stated in the  
10 Complaint. To achieve a full and complete release of Defendants, Plaintiff acknowledges that this  
11 Stipulation of Settlement is intended to include in its effect all claims of any nature reasonably  
12 arising out of the allegations made in the Operative Complaint.

13 11. It is the intention of the Parties that this Stipulation of Settlement shall constitute  
14 a full and complete settlement and release of all claims arising from the allegations in the First  
15 Amended Complaint against: (i) Defendants Holz Rubber Company and HR Outsourcing  
16 Associates, LLC; (ii) each of Defendants' respective, present and future parents (including  
17 Paychex, Inc.), subsidiaries, partners and affiliates, including, without limitation, any corporation,  
18 limited liability company or partnership; (iii) the past, present and future board members, directors,  
19 officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,  
20 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,  
21 successors and assigns of any of the foregoing; and (iv) any individual or entity which could be  
22 jointly liable with any of the foregoing.

23 12. Counsel for the Settlement Class have conducted a thorough investigation into the  
24 facts of this Action and have diligently pursued an investigation of Class Members' claims against  
25 Defendants. Based on their own independent investigation and evaluation, Class Counsel are of  
26 the opinion that the Settlement with Defendants for the consideration and on the terms set forth in  
27 this Stipulation of Settlement is fair, reasonable and adequate, and is in the best interest of the  
28 Settlement Class in light of all known facts and circumstances, including the risk of significant

1 delay, the risk the Settlement Class will not be certified by the Court, defenses asserted by  
2 Defendants, and numerous potential appellate issues. Defendants and Defendants' Counsel also  
3 agree that the Settlement is fair and in the best interest of the Parties.

4 13. The Parties agree to cooperate and take all steps necessary and appropriate to  
5 consummate this Settlement and for entry of judgment in accordance with this Settlement.

6 14. This Settlement provides that Defendants will pay Settlement Awards and PAGA  
7 Awards according to a specified formula to each Settlement Class Member who does not request  
8 to be excluded from this Settlement. The total payment under the Settlement is \$600,000.00, which  
9 includes all payments to Class Members, PAGA Members, Class Counsel's attorneys' fees, Class  
10 Counsel's litigation expenses and costs, the enhancement award to the class representatives,  
11 penalties of any nature, including PAGA penalties and settlement administration expenses. It is  
12 understood and agreed that Defendants shall have no obligation to pay any person, entity or  
13 organization more than the amount of its maximum total liability under the Settlement, except that  
14 Defendants will separate pay as an additional obligation the employer's share of the payroll taxes  
15 for the wage portion of the Settlement Awards.

16 TERMS OF SETTLEMENT

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

19 a. It is agreed by and among Plaintiff and Defendants that this Action and any  
20 claims, damages or causes of action arising out of the Complaint, which are the subject of this  
21 Action, be settled and compromised as between the Settlement Class and Defendants, subject to  
22 the terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

23 b. Effective Date: The Settlement embodied in this Stipulation of Settlement  
24 shall become effective when all of the following events have occurred: (i) this Stipulation of  
25 Settlement has been executed by all Parties and by counsel for Plaintiff and Defendants; (ii) the  
26 Court has given preliminary approval to the Settlement; (iii) the class settlement notice has been  
27 provided to the Settlement Class, providing them with an opportunity to opt out of or to object to  
28 the Settlement; (iv) the Court has held a formal Final Fairness hearing and entered a final order

1 and judgment certifying the Settlement Class and finally approving this Stipulation of Settlement,  
2 and without objection from the LWDA; and (v) in the event there are objections to the Settlement  
3 which are not later withdrawn, the later of the following events: when the period for filing any  
4 appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any appeal,  
5 writ or other appellate proceeding having been filed; or any appeal, writ or other appellate  
6 proceeding opposing the Settlement has been dismissed finally and conclusively with no right to  
7 pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld the  
8 Court's final order with no right to pursue further remedies or relief. In this regard, it is the  
9 intention of the Parties that the Settlement shall not become effective until the Court's order  
10 approving the Settlement is completely final, and there is no further recourse by an appellant or  
11 objector who seeks to contest the Settlement. It is further agreed by the Parties that this Settlement  
12 will not become effective if Defendants, contrary to Paragraph 14 above, are required by the Court  
13 to pay more than the total amount of its Gross Settlement Amount (defined below) under the  
14 Settlement as set forth in Paragraph 14 under any circumstances. It is further agreed by and  
15 between the Parties that this Settlement shall not become effective, and Defendants shall not have  
16 any obligation (monetary or otherwise) under the terms of this Settlement, unless and until any  
17 objections, writs and/or appeals, and any rights of appeal with respect to any objections or the  
18 judgment, have been finally exhausted and resolved upholding the terms of this Settlement.

19 c. Gross Settlement Amount, and Net Settlement Amount: To implement the  
20 terms of this Settlement, Defendant Holz Rubber, on behalf of the Released Parties, agrees to pay  
21 a maximum of \$600,000.00, which includes: all payments to Class Members and PAGA Members;  
22 Class Counsel's attorneys' fees; Class Counsel's litigation expenses and costs; the enhancement  
23 award to the class representative; \$50,000.00 allocated to penalties under the PAGA with seventy-  
24 five percent (75%) of that amount, or in other words \$37,500.00, paid to the LWDA, and twenty-  
25 five percent (25%) of that amount, or in other words \$12,500.00, paid to the Settlement Class as  
26 described below; and settlement administration expenses ("Gross Settlement Amount"). The  
27 Parties agree the Gross Settlement Amount will be fully paid out, with no residue returning to  
28 Defendant Holz Rubber. At no time shall Defendant Holz Rubber have the obligation to segregate

1 the funds comprising the Gross Settlement Amount, and Defendant Holz Rubber shall retain  
2 exclusive authority over, and the responsibility for, those funds. All payments to Class Members  
3 and PAGA Members, Class Counsel's attorneys' fees, Class Counsel's litigation expenses and  
4 costs, the enhancement award and settlement administration expenses will be paid out of the Gross  
5 Settlement Amount. The "Net Settlement Amount," the amount available for potential distribution  
6 to Class Members, shall be calculated by deducting from the Gross Settlement Amount: (i) all  
7 Class Counsel's attorneys' fees and litigation costs; (ii) the enhancement award to the class  
8 representatives; (iii) the PAGA penalty payment to the LWDA as described further below; and  
9 (iv) settlement administration expenses. Settlement Awards to the Class Members, and PAGA  
10 Awards to the PAGA Members, will be calculated by the Settlement Administrator and paid out  
11 of the Net Settlement Amount as set forth below. The entire Net Settlement Amount will be paid  
12 out *pro rata* to Class Members who do not opt out, and to PAGA Members.

13 i. Settlement Awards to Class Members: Defendants, based on  
14 Defendants' time clock records and other relevant data and information, will calculate the number  
15 of weeks worked by all Class Members during the Class Period. The Settlement Administrator will  
16 calculate the amount to be paid to Class Members on a per workweek basis as Settlement Awards  
17 by dividing the Net Settlement Amount by the aggregate number of weeks worked by all Class  
18 Members. Partial workweeks will not be counted; however, if a Class Member worked only one  
19 day as a Class Member, such Class Member will be credited with having worked one workweek  
20 for purposes of the Settlement. Defendants' workweek data will be presumed to be correct unless  
21 a particular Class Member proves otherwise to the Settlement Administrator by credible written  
22 evidence. Defendants will provide time clock data and relevant information to the Settlement  
23 Administrator for resolution of any workweek dispute by a particular Class Member. All  
24 workweek disputes will be resolved and decided by the Settlement Administrator, and the  
25 Settlement Administrator's decision on all workweek disputes will be final and non-appealable.  
26 No claim form shall be required for Settlement Class Members to receive their Settlement Awards.

27 ii. Private Attorneys General Act Allocation: Subject to Court  
28 approval, the Parties have agreed to allocate \$50,000.00 of the Gross Settlement Amount to

1 Plaintiff's representative claims under PAGA. Seventy-five percent (75%) of this amount, or in  
2 other words \$37,500.00, will be paid out of the Gross Settlement Amount to the LWDA of the  
3 State of California, and the remaining twenty-five percent (25%), or in other words \$12,500.00,  
4 will remain included in the Net Settlement Amount. Defendants will calculate the number of weeks  
5 worked by PAGA Members during the PAGA Period based on time clock data. Partial workweeks  
6 will not be counted; however, if a PAGA Member worked only one day as a PAGA Member, such  
7 PAGA Member will be credited with having worked one workweek for purposes of the Settlement.  
8 Defendants' workweek data will be presumed to be correct unless a particular PAGA Member  
9 proves otherwise to the Settlement Administrator by credible written evidence. Defendants will  
10 provide time clock data and relevant information to the Settlement Administrator for resolution of  
11 any workweek disputes by a particular PAGA Member. All workweek disputes will be resolved  
12 and decided by the Settlement Administrator, and the Settlement Administrator's decision on all  
13 workweek disputes will be final and non-appealable. The amount to be paid per workweek to  
14 PAGA Members will be calculated by the Settlement Administrator by dividing the Net PAGA  
15 Settlement Amount by the aggregate number of workweeks worked by PAGA Members. No claim  
16 form shall be required for PAGA Members to receive their PAGA Awards.

17                   iii.     Allocation of Settlement Awards: The Parties have agreed, based on  
18 the allegations in the Action, that individual Settlement Awards payable to eligible Class Members  
19 will be allocated from the Net Settlement Amount and paid as follows: 10 percent (10%) will be  
20 allocated to alleged unpaid wages for which IRS Forms W-2 will issue; fifty percent (50%) will  
21 be allocated to alleged unpaid penalties for which IRS Forms 1099-MISC will issue; and forty  
22 percent (40%) will be allocated to alleged unpaid interest for which IRS Forms 1099-MISC will  
23 issue. Individual PAGA Awards (i.e., "PAGA Awards") for the PAGA Members will be paid  
24 from the Net PAGA Settlement Amount, after the required payment to the LWDA, as alleged  
25 penalties for which IRS Form 1099 will issue.

26                   iv.     Settlement and PAGA Awards Do Not Trigger Additional Benefits:  
27 All Settlement Awards to Class Members, and all PAGA Awards to PAGA Members, shall be  
28 deemed to be income to such Class Members and PAGA Members solely in the year in which such

1 awards actually are received by the Class Members and PAGA Members and in accordance with  
2 the allocation described in section 15(c)(iii) above. It is expressly understood and agreed that the  
3 receipt of such Settlement Awards and PAGA Awards will not entitle any Class Member or PAGA  
4 Member to additional compensation or benefits under any company bonus, contest or other  
5 compensation or benefit plan or agreement in place during the period covered by the Settlement,  
6 nor will it entitle any Class Member or PAGA Member to any increased retirement, 401(k) benefits  
7 or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the  
8 Settlement Awards provided for in this Agreement are the sole payments to be made by Defendants  
9 to the Class Members and the PAGA Members in connection with this Settlement, and that the  
10 Class Members and PAGA Members are not entitled to any new or additional compensation or  
11 benefits as a result of having received the Settlement Awards and PAGA Awards (notwithstanding  
12 any contrary language or agreement in any benefit or compensation plan document that might have  
13 been in effect during the period covered by this Settlement).

14 v. Attorneys' Fees and Litigation Costs: Subject to Court approval or  
15 modification, Defendants agree to a payment, from the Gross Settlement Amount, Class Counsel's  
16 attorneys' fees and litigation costs as set forth in Paragraph 17 below.

17 vi. Class Representative: The Parties agree to the designation of  
18 Plaintiff as "Class Representative." Subject to Court approval, and subject to Plaintiff's execution  
19 of a general release of all claims under California Code of Civil Procedure section 1542,  
20 Defendants agree not to oppose a payment to Plaintiff, from the Gross Settlement Amount, an  
21 award at no additional cost to the Released Parties ("Enhancement Award") not to exceed  
22 \$10,000.00. The Enhancement Award paid to the Class Representative is subject to Court  
23 approval, and is in addition to any claimed individual Settlement Award to which the Class  
24 Representative is entitled under this Stipulation of Settlement. The Enhancement Award is to be  
25 part of, and to be deducted from, the Gross Settlement Amount. The Settlement Administrator will  
26 issue an IRS Form 1099-MISC for the Enhancement Award to Plaintiff for Plaintiff's service as  
27 Class Representative, and Plaintiff will be responsible for correctly characterizing this  
28 compensation for tax purposes and for paying any taxes on the amount received. Should the Court

1 approve an Enhancement Award to the Class Representative in an amount less than that set forth  
2 above, the difference between the lesser amount approved by the Court and the Enhancement  
3 Award set forth above shall be added to the Net Settlement Amount.

4 vii. Settlement Administrator: The Settlement Administrator will be  
5 Phoenix Class Action Administration Solutions, or such other settlement administrator as may be  
6 mutually agreed upon by the Parties and approved by the Court. Settlement administration  
7 expenses will be up to \$9,000 and must be documented and approved by the Court. To the extent  
8 that the approved settlement administration expenses are less than \$9,000, the remainder will be  
9 retained in the Net Settlement Amount.

10 viii. Mailing of Settlement and PAGA Awards: The Settlement  
11 Administrator will cause the Settlement Awards to be mailed to the Class Members who have not  
12 opted out of the Settlement and have not previously released their claims as to Defendants, and the  
13 PAGA Awards to be mailed to PAGA Members, within thirty-five (35) calendar days after the  
14 Settlement becomes effective as defined in Paragraph 15.b.

15 ix. Potential Escalator Clause or Alternative Class Period End Date: For  
16 Settlement purposes and based on Class Member data presently available at the time of Settlement,  
17 the Parties estimated that Class Members worked 17,697 workweeks from September 24, 2019 to  
18 July 26, 2024. The Parties further agree that if the final number of workweeks from September 24,  
19 2019 to July 26, 2024, which formed the basis of the Settlement, increase by more than ten percent  
20 (10%) above 17,697 workweeks (e.g., to greater than 19,467 workweeks), the Gross Settlement  
21 Amount will increase by the proportional amount for the percentage of workweeks above ten (10)  
22 percent (i.e., by the percentage of workweeks above 19,467 workweeks) or Defendants will have  
23 the option to limit the Class Period and PAGA Period to a date when total Class Period workweeks  
24 reach 19,467.

25 d. Enhancement Award to Plaintiff for Service as Class Representative: The  
26 Settlement Administrator will pay the Enhancement Award approved by the Court to Plaintiff  
27 within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph  
28 15.b.

1     ///

2                   e.     Right to Rescission: If more than ten percent (10%) of the Settlement Class  
3     opts out of the Settlement by submitting valid and timely Requests for Exclusion as set forth in the  
4     Notice of Proposed Class Action Settlement and Hearing Date for Final Court Approval of  
5     Settlement ("Class Notice"), Defendants shall have the right (but need not) in their sole discretion  
6     to rescind and void the Settlement, before final approval by the Court, by providing written notice  
7     to Class Counsel no later than fourteen (14) calendar days after the opt-out deadline. If Defendants  
8     exercise this option, Defendants shall pay any costs of settlement administration incurred up to  
9     that date, but not to include Class Counsel's fees and costs.

10                                   SETTLEMENT ADMINISTRATION

11           16.     The Settlement Administrator shall be mutually agreed upon by the Parties to  
12     perform the customary duties of Settlement Administrator, subject to Court approval. The  
13     Settlement Administrator will mail the Class and PAGA Notice to all Class Members and PAGA  
14     Members. The Settlement Administrator shall be granted reasonable access to Defendants' records  
15     to perform its duties, such as resolving workweek disputes, if necessary. At the request of  
16     Defendants, and upon receipt of funds from Defendants, the Settlement Administrator will issue  
17     and send out Settlement Award checks to Class Members and PAGA Awards to PAGA Members.  
18     Tax treatment of the Settlement Awards and PAGA Awards will be as set forth herein and in  
19     accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's  
20     performance of its duties shall be referred to the Court, if necessary, which will have continuing  
21     jurisdiction over the terms and conditions of this Stipulation of Settlement under California Code  
22     of Civil Procedure section 664.6 until all payments and obligations contemplated by this  
23     Stipulation of Settlement have been fully carried out. The Settlement Administrator shall create  
24     and maintain a webpage, which will include links to the Settlement Agreement, Class Notice,  
25     Motions for Preliminary and Final Approval, and Motion for Attorneys' Fees as they become  
26     available, until the Effective Date. The website shall also include links to any other documents or  
27     information the Settlement Administrator deems necessary to perform its duties.

28     ///

ATTORNEYS' FEES AND LITIGATION COSTS

17. In consideration for settling this Action, in exchange for the release of claims by the Settlement Class, and subject to final approval or modification by the Court, Defendants agree to pay, from the Gross Settlement Amount, Class Counsel attorneys' fees not to exceed thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount, or in other words up to \$200,000.00, and attorneys' costs not to exceed \$20,000.00 from the Gross Settlement Amount. Defendants will not object to Class Counsel's application for attorneys' fees and litigation costs up to these amounts. The amounts set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in connection with the approval by the Court of this Stipulation of Settlement, the administration of the Settlement, and obtaining the final judgment. Should Class Counsel request lesser amounts, or should the Court approve lesser amounts for attorneys' fees and litigation costs, the difference between the lesser amounts and the Gross Settlement Amount shall be added to the Net Settlement Amount. The Parties agree Class Counsel waives any right to appeal a decision by the Court to reduce the amount of attorneys' fees or litigation costs requested by Class Counsel.

18. The attorneys' fees and litigation costs approved by the Court shall be paid to Class Counsel within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph 15.b.

NOTICE TO THE PLAINTIFF CLASS

19. The Class and PAGA Notice shall be jointly drafted by the Parties, and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first-class mail. The Class Notice shall be substantially in the form identified as **Exhibit 1** to this Settlement.

a. Within twenty-one (21) calendar days after preliminary approval of this Settlement by the Court, Defendants shall provide to the Settlement Administrator the Class Members' and PAGA Members' names, last-known addresses, last-known telephone numbers, Social Security Numbers and the number of work weeks during the Class Period and the PAGA Period. The Parties agree the contact information and Social Security Numbers will be used only by the Settlement Administrator for the sole purpose of effectuating the Settlement and will not be

1 provided to Class Counsel at any time or in any form. The Settlement Administrator shall take  
2 reasonable steps to protect the confidential and private information. To the extent Class Counsel  
3 possesses or comes to possess the contact information and/or Social Security Numbers from the  
4 Settlement Administrator, Class Counsel shall return all such information (including copies and  
5 data or information derived therefrom) within seven (7) calendar days from the date the Court  
6 finally approves the Settlement, shall destroy all copies in any form of such information, and shall  
7 not retain, maintain or use such information for any purpose. The information provided for above  
8 shall be based on Defendants' payroll and other business records and in a format acceptable to the  
9 Settlement Administrator. Defendants agree to consult with the Settlement Administrator prior to  
10 the production date to ensure that the format will be acceptable to the Settlement Administrator.  
11 The information will need to be provided to the Settlement Administrator by reasonable security  
12 measures and reasonably secure technology. Within forty-five (45) calendar days of preliminary  
13 approval of this Settlement, the Settlement Administrator will mail the Class and PAGA Notice to  
14 Class Members and PAGA Members.

15           b. Class and PAGA Notices returned to the Settlement Administrator as  
16 non-delivered shall be resent to the forwarding address, if any, on the returned envelope. If there  
17 is no forwarding address, the Settlement Administrator will do an NCOA check and will skip-trace  
18 return mail and re-mail within three (3) business days of receipt using the Class Member's Social  
19 Security Number; this search will be performed only once per Class Member by the Settlement  
20 Administrator. Class Members and PAGA Members will have a maximum of fifteen (15) calendar  
21 days from the date of the re-mailing due to an undeliverable notice to cure the deficiency, or until  
22 the end of the opt out deadline, whichever is later. Upon completion of these steps by the  
23 Settlement Administrator, Defendants and the Settlement Administrator shall be deemed to have  
24 satisfied their obligations to provide the Class and PAGA Notice to the affected member of the  
25 Settlement Class. The affected member of the Settlement Class shall remain a member of the  
26 Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the  
27 Court's Order and Final Judgment.

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c. The Class and PAGA Notice shall also identify the procedures for opting out of or objecting to the Settlement.

d. Class Counsel shall provide to the Court, at least sixteen (16) court days before the Final Fairness hearing, an initial declaration by the Settlement Administrator of due diligence and proof of mailing with regard to the mailing of the Class and PAGA Notice.

#### ADMINISTRATION PROCESS

20. The Class Members will have forty-five (45) calendar days from the date of mailing in which to submit requests for exclusion (“opt out”). PAGA Members are not entitled to opt out as a PAGA Member.

21. Defendants, on behalf of the Released Parties, will pay to the Settlement Administrator the Gross Settlement Amount within 30 days after entry of the final order of judgment. Checks for Settlement Awards and PAGA Awards shall remain valid and negotiable for one hundred twenty (120) calendar days from the date of their issuance; the Parties agree the Settlement Administrator will send one (1) reminder notice to all Class Members and PAGA Members who have not cashed the Settlement Award or PAGA Award check thirty (30) calendar days prior to the deadline; upon the deadline to cash the Settlement Award and PAGA Award checks, the checks will automatically be cancelled by the Settlement Administrator if not cashed by the Class Member or the PAGA Member within that time, at which point the Class Members’ and PAGA Members’ claims will be deemed void and of no further force or effect, and the Class Members’ and PAGA Members’ claims will remain released by the Settlement. The checks provided to Class Members and PAGA Members shall prominently state the expiration date or a statement that the checks will expire in one hundred twenty (120) days, or alternatively, such a statement may be made in a letter accompanying the check. Expired Settlement Award and PAGA Award checks will not be reissued, except for good cause and as mutually agreed by the Parties in writing. Any residue from uncashed Settlement Award or PAGA Award checks after the expiration date will be paid within fourteen (14) calendar days after the one hundred twenty (120)-day check cashing period expires pursuant to California Code of Civil Procedure section 384(b)(3) to the California Unclaimed Property Fund in the individual’s name. Upon completion of its calculation

1 of payments, the Settlement Administrator shall provide Defendants with a report listing the  
2 amount of all payments to be made to each Class Member and PAGA Member. The Settlement  
3 Administrator will be responsible for making appropriate deductions, calculating and reporting the  
4 employer payroll taxes on the Settlement Awards and PAGA Awards, paying to Class Counsel  
5 any Court-approved attorneys' fees and litigation costs, paying to the Class Representatives any  
6 Court-approved Enhancement Award, paying the LWDA seventy-five percent (75%) of the  
7 amount allocated for PAGA penalties above, paying the settlement administration expenses,  
8 meeting tax reporting obligations, and for issuing the individual Settlement Awards to Class  
9 Members and PAGA Awards to PAGA Members. Proof of compliance with the Court's final  
10 approval order will be provided to counsel for the Parties by the Settlement Administrator within  
11 twenty-one (21) days after all payment obligations and the check cashing deadline for Class  
12 Members has passed.

#### 13 OPTING OUT OF / OBJECTING TO THE SETTLEMENT

14 22. Opting Out of the Class Action Settlement. For those Class Members who do not  
15 wish to participate in the Settlement, such Class Members may exclude themselves by submitting  
16 a timely written request to the Settlement Administrator. PAGA Members cannot opt out as a  
17 PAGA Member and release all Released PAGA Claims during the PAGA Period. The written  
18 request ("Request for Exclusion") should state that he/she has received the "Notice of Proposed  
19 Class Action Settlement and Hearing Date for Final Court Approval of Settlement," they/he/she  
20 have/has decided not to participate in the Settlement, and words to the effect that he/she desires to  
21 be excluded from the Settlement. The Request for Exclusion must also state the individual's full  
22 name, address, date of birth, and dates they/he/she worked as a Class Member for Defendants in  
23 California. The Request for Exclusion must be signed, dated, and mailed by First-Class U.S. Mail,  
24 or the equivalent, to the Settlement Administrator. All Requests for Exclusion must be postmarked  
25 and mailed to the Settlement Administrator no later than forty-five (45) calendar days after the  
26 Settlement Administrator mails the Class Notice to the Class Members. Any individual who  
27 submits a Request for Exclusion will not be allowed to object to the terms of the Settlement.

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23. Objecting to the Class Action Settlement. Any individual who does not exclude himself/herself from the Settlement can object to the terms of the Settlement in writing before the deadline to object to the Settlement. To object, the individual must file a written objection and a notice of intention to appear at the Final Approval hearing with the Clerk of the San Joaquin County Superior Court of the State of California and send copies to the Settlement Administrator, Class Counsel and counsel for Defendants. Any written objection must state each specific reason in support of the objection and any legal support for each objection. The individual must state his/her full name, address, date of birth, and dates he/she/they worked as a Class Member in California for Defendants. To be valid and effective, any written objections to approval of the Settlement must be filed with the Clerk of the Court and delivered to the Settlement Administrator, Class Counsel, and counsel for Defendants no later than forty-five (45) calendar days after the Settlement Administrator mails the Class and PAGA Notice. However, a Class Member may appear at the Final Approval hearing, either in person or through his/her/their own counsel, and object to the Settlement Agreement and any of its terms without submitting a prior objection in the manner and by the deadline specified above. If the Court rejects the objection, the individual will be bound by the terms of the Settlement.

RELEASE BY THE CLASS

24. Released Class Claims. Effective upon the date of final approval by the Court of this Stipulation of Settlement, and except as to such rights or claims as may be created by this Stipulation of Settlement, the Settlement Class and each member of the Class who has not submitted a valid Request for Exclusion fully release and discharge the Released Parties from all claims under state, federal, and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 215, 216, 218.6, 223, 225, 226, 226.3, 226, 226.6, 226.7, 246, 354, 408, 510, 512, 533, 558, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2800, and 2802, California Industrial Welfare Commission Wage Orders, California Code of Regulations, Title. 8, section 11040, 11090, and 3395 *et seq.*, Business and Professions Code sections 17200 *et seq.*, Civil Code sections

1 1021.5, 3287, and 3289, and including all claims for or related to alleged unpaid wages, minimum  
2 wages, hours worked, overtime or double time wages, regular rate of pay, bonus and incentive pay,  
3 timely payment of wages during employment, timely payment of wages at separation, business  
4 expenses, wage statements, reporting time pay, rounding of employee timekeeping records, paid  
5 sick leave, payroll records and recordkeeping, meal periods and meal period premiums, rest breaks  
6 and rest break premiums, failure to pay additional 401(k) benefits and/or deferred compensation  
7 benefits and/or matching benefits for payments received under the Settlement, unfair competition,  
8 unfair business practices, unlawful business practices, fraudulent business practices, class actions,  
9 representative actions, aggrieved party claims, declaratory relief, penalties of any nature (including  
10 but not limited to civil penalties and waiting-time penalties), interest, fees, costs, as well as all  
11 other claims and allegations alleged in the Action (collectively, “Released Class Claims”) from  
12 September 25, 2019 through September 24, 2024 (“Class Release Period”). Expressly excluded  
13 from the release are claims for vested benefits, wrongful termination, violation of the Fair  
14 Employment and Housing Act, unemployment insurance, disability, social security, workers’  
15 compensation, or claims outside the Class Release Period.

16 25. Released PAGA Claims. Effective upon the date of final approval by the Court of  
17 this Stipulation of Settlement, the claims to be released by the PAGA Members include all claims  
18 arising during the PAGA Period seeking civil penalties under PAGA, that Plaintiff as proxy for  
19 the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private  
20 attorney general acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably  
21 have asserted based on the facts alleged in the Action and/or the LWDA letter, including but not  
22 limited to all claims arising under the California Labor Code including, but not limited to, sections  
23 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194,  
24 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802, and based the facts alleged in the Action  
25 (collectively, “Released PAGA Claims”). The Settlement shall release and bar all Released PAGA  
26 Claims by or on behalf of Plaintiff and all PAGA Members from September 25, 2022 through  
27 September 24, 2024 (“PAGA Release Period”), and for the entire PAGA Release Period,  
28 regardless of whether Plaintiff and/or a PAGA Member negotiate (cash) their/his/her settlement

1 checks sent pursuant to this Settlement and regardless of whether any such PAGA Member opts  
2 out or attempts to exclude themselves/himself/herself from the Settlement.

3 26. In addition to the Released Class Claims identified in Paragraph 24 and the  
4 Released PAGA Claims in Paragraph 25, Plaintiff agrees to generally release the Released Parties  
5 from any and all claims, whether known or unknown, under all federal, state and local statutes,  
6 and federal and state common law (including but not limited to those for contract, tort and equity),  
7 except for workers' compensation claims. Plaintiff acknowledges the language of Section 1542 of  
8 the California Civil Code, which provides:

9 A general release does not extend to claims that the creditor or  
10 releasing party does not know or suspect to exist in his or her favor  
11 at the time of executing the release and that, if known by him or her,  
would have materially affected his or her settlement with the debtor  
or released party.

12 Plaintiff expressly waives the protection of Section 1542. Plaintiff understands and agrees  
13 that claims or facts in addition to or different from those which are now known or believed by him  
14 to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all of the  
15 claims, except for workers' compensation claims, Plaintiff now has against the Released Parties,  
16 whether known or unknown, suspected or unsuspected.

17 DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

18 27. To effectuate the terms of the Settlement, the Parties agree all formal and informal  
19 discovery shall be stayed pending Court approval of the Settlement. Class Counsel agree to notify  
20 the Court of the Settlement through a Notice of Proposed Class Action Settlement, and to request  
21 that all current Court deadlines be continued pending Court approval of the Settlement. Class  
22 Counsel agree to cease all affirmative communication (oral and written) with the putative class  
23 members, other than through Court-approved notices; this provision does not prevent Class  
24 Counsel from communicating with any Class Members or PAGA Member who may contact Class  
25 Counsel. Plaintiff shall promptly submit this Stipulation of Settlement to the San Joaquin County  
26 Superior Court in support of Plaintiff's Motion for Preliminary Approval and determination by the  
27 Court as to its fairness, adequacy and reasonableness. Plaintiff agrees to provide Defendants the  
28 opportunity to review, and to approve before filing, Plaintiff's Motion for Preliminary Approval.

1 At the same time Plaintiff submits this Stipulation of Settlement to the San Joaquin County  
2 Superior Court, Plaintiff agrees to submit a copy of the Stipulation of Settlement to the LWDA.  
3 Promptly upon execution of this Stipulation of Settlement, Plaintiff shall apply to the Court for the  
4 entry of an order preliminarily approving the Settlement in a form that is mutually agreeable  
5 between the Parties and also provides for the following:

6 a. Scheduling a Final Fairness hearing on the question of whether the proposed  
7 Settlement, including payment of attorneys' fees and litigation costs, costs of administration, and  
8 the Class Representative's Enhancement Award should be finally approved as fair, reasonable, and  
9 adequate as to the members of the Settlement Class;

10 b. Certifying a Settlement Class, Plaintiff as Class Representative and D.Law,  
11 Inc. as Class Counsel;

12 c. Approving as to form and content the proposed Class and PAGA Notice;

13 d. Approving the manner and method for Class Members to request exclusion  
14 from the Settlement as contained herein and within the Class and PAGA Notice;

15 e. Directing the mailing of the Class and PAGA Notice by first-class mail to  
16 the Class Members and PAGA Members;

17 f. Preliminarily approving the Settlement subject only to the objections of  
18 Class Members and PAGA Members, and final review by the Court; and

19 g. Enjoining Plaintiff and all Class Members from filing or prosecuting any  
20 other cases, claims, suits, or administrative proceedings (including filing claims with the Division  
21 of Labor Standards Enforcement of the California Department of Industrial Relations) regarding  
22 the Released Class Claims, unless and until such Class Members have filed valid Requests for  
23 Exclusion with the Settlement Administrator and the time for filing Requests for Exclusion with  
24 the Settlement Administrator has elapsed.

25 (h) The Preliminary Approval Order shall be substantially in the form identified  
26 as **Exhibit 2** to this Stipulation of Settlement.

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1                                    DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL

2            28.      Class Counsel have agreed to destroy and/or delete all confidential documents, lists  
3            and data in all forms and formats (originals and copies) within seven (7) calendar days from final  
4            Court approval of the Settlement. Plaintiff agrees to provide Defendants the opportunity to review,  
5            and to approve before filing, Plaintiff's Motion for Final Approval of Class Action and PAGA  
6            Settlement. Class Counsel agrees to submit a proposed final order and judgment mutually  
7            agreeable between the Parties, and substantially in the form identified as Exhibit 3 to this  
8            Stipulation of Settlement, and provides for the following:

9                    a.      Approving the Settlement, adjudging the terms thereof to be fair,  
10                  reasonable, and adequate, and directing consummation of its terms and provisions;

11                  b.      Approving Class Counsel's application for an award of attorneys' fees and  
12                  litigation costs;

13                  c.      Approving the Enhancement Award to the Class Representative; and

14                  d.      Entering judgment in accordance with Rule 3.769(h) of the California Rules  
15                  of Court, and permanently barring and enjoining all Class Members and PAGA Members from  
16                  prosecuting against: (i) Defendants; (ii) each of Defendants' respective, present and future  
17                  parents, subsidiaries, partners and affiliates, including, without limitation, any corporation, limited  
18                  liability company or partnership; (iii) the past, present and future board members, directors,  
19                  officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,  
20                  consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,  
21                  successors and assigns of any of the foregoing; and (iv) any individual or entity which could be  
22                  jointly liable with any of the foregoing.

23                                    PARTIES' AUTHORITY

24            29.      The signatories hereto hereby represent that they are fully authorized to enter into  
25            this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

26                                    MUTUAL FULL COOPERATION

27            30.      The Parties agree to fully cooperate with each other to accomplish the terms of this  
28            Stipulation of Settlement, including but not limited to execution of such documents and taking

1 such other action as reasonably may be necessary to implement the terms of this Stipulation of  
2 Settlement. The Parties shall use their best efforts, including all efforts contemplated by this  
3 Stipulation of Settlement and any other efforts that may become necessary by order of the Court,  
4 or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as  
5 practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the  
6 assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the  
7 Court's final approval of this Stipulation of Settlement.

8 31. The Parties and their respective counsel agree that they will not attempt to  
9 encourage or discourage Class Members from filing Requests for Exclusion.

10 NO PRIOR ASSIGNMENTS

11 32. The Parties and their counsel represent, covenant, and warrant that they have not,  
12 directly or indirectly, assigned, transferred or encumbered, or purported to assign, transfer or  
13 encumber, to any person or entity any portion of any liability, claim, demand, action, cause of  
14 action or right herein released and discharged except as set forth herein.

15 NO ADMISSION

16 33. Nothing contained herein, nor the consummation of this Stipulation of Settlement,  
17 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on  
18 the part of Defendants. Each of the Parties hereto has entered into this Stipulation of Settlement  
19 solely with the intention to avoid further disputes and litigation with the attendant inconvenience  
20 and expenses.

21 ENFORCEMENT ACTIONS

22 34. The Parties agree that the Sacramento County Superior Court shall retain  
23 jurisdiction to enforce the terms of this Settlement pursuant to California Code of Civil Procedure  
24 section 664.6. In the event one or more of the Parties to this Stipulation of Settlement institutes  
25 any legal action or other proceeding against any other Party or Parties to enforce the provisions of  
26 this Stipulation of Settlement or to declare rights or obligations under this Stipulation of  
27 Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party

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1 or Parties' reasonable attorneys' fees and litigation costs, including expert witness fees, incurred  
2 in connection with any enforcement actions.

3 NOTICES

4 35. Unless otherwise specifically provided herein, all notices, demands or other  
5 communications given hereunder shall be in writing and shall be deemed to have been duly given  
6 as of the third (3rd) business day after mailing by United States registered or certified mail, return  
7 receipt requested, addressed as follows:

8 **To Plaintiff and the Settlement Class:**

9 Emil Davtyan, Esq.  
10 David Yeremian, Esq.  
11 David Keledjian, Esq.  
12 David Arakelyan, Esq.  
13 D.LAW, INC.  
14 450 N. Brand Blvd. Ste. 840  
15 Glendale, CA 91203

16 **To Defendants:**

17 Evan D. Beecher, Esq.  
18 Samuel J. Maselli, Esq.  
19 JACKSON LEWIS P.C.  
20 400 Capitol Mall, Suite 1600  
21 Sacramento, California 95814

22 NO PUBLIC COMMENT

23 36. Class Counsel will not make any public disclosure of any specific terms of the  
24 Settlement, except through Court filings to preliminary and finally approve the Settlement. Class  
25 Counsel will take all steps necessary to ensure that the Class Representative is aware of the  
26 restriction against any public disclosure of the Settlement. Following preliminary Court approval  
27 of the Settlement, the Class by Representative and Class Counsel will not initiate any  
28 communications (directly or indirectly) with the media regarding the Action. Notwithstanding the  
foregoing, the Class Representative and Class Counsel may, in response to a communication  
initiated by the media, direct the inquiring media member to the public records of the Action on  
file with the Court. Class Counsel will take all steps reasonably necessary to ensure that the Class

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1 Representatives are aware of, and will ensure that he will adhere to, the restriction against any  
2 media comment on the Settlement and its terms.

### 3 CONSTRUCTION

4 37. The Parties hereto agree that the terms and conditions of this Stipulation of  
5 Settlement are the result of arms-length negotiations and private mediation between the Parties  
6 and this Stipulation of Settlement shall not be construed in favor of or against any party by  
7 reason of the extent to which any party or his, her or its counsel participated in the drafting of this  
8 Stipulation of Settlement.

### 9 CAPTIONS AND INTERPRETATIONS

10 38. Paragraph titles or captions contained herein are inserted as a matter of convenience  
11 and for reference, and in no way define, limit, extend or describe the scope of this Stipulation of  
12 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and not  
13 merely a recital.

### 14 MODIFICATION

15 39. This Stipulation of Settlement may not be changed, altered, or modified, except in  
16 writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement  
17 may not be discharged except by performance in accordance with its terms or by a writing signed  
18 by the Parties hereto.

### 19 INTEGRATION CLAUSE

20 40. This Stipulation of Settlement and the Confidential Memorandum of  
21 Understanding contain the entire agreement between the Parties relating to the Settlement and  
22 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,  
23 representations, and statements, whether oral or written and whether by a Party or such Party's  
24 legal counsel, are merged herein. No rights hereunder may be waived except in writing.

### 25 BINDING ON ASSIGNS

26 41. This Stipulation of Settlement shall be binding upon and inure to the benefit of the  
27 Parties and the Released Parties hereto, and their respective heirs, trustees, executors,  
28 administrators, successors, and assigns.

CLASS MEMBER SIGNATORIES

42. It is agreed that because the Class Members and PAGA Members are so numerous, it is impossible or impractical to have Class Members and PAGA Members execute this Stipulation of Settlement. The Class and PAGA Notice will advise all Class Members and PAGA Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each Class Members and PAGA Member.

COUNTERPARTS

43. This Stipulation of Settlement may be executed in counterparts and by facsimile signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendants as of the date(s) set forth below:

**PLAINTIFF AND CLASS REPRESENTATIVE:**

Dated: December 18, 2024

By:   
E90A17BEE849410...  
John Pardee

**DEFENDANT HOLZ RUBBER COMPANY, INC.:**

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

By: \_\_\_\_\_  
Authorized Officer or Agent  
Holz Rubber Company, Inc.

[Signatures Continue on Next Page]

CLASS MEMBER SIGNATORIES

42. It is agreed that because the Class Members and PAGA Members are so numerous, it is impossible or impractical to have Class Members and PAGA Members execute this Stipulation of Settlement. The Class and PAGA Notice will advise all Class Members and PAGA Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each Class Members and PAGA Member.

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43. This Stipulation of Settlement may be executed in counterparts and by facsimile signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendants as of the date(s) set forth below:

**PLAINTIFF AND CLASS REPRESENTATIVE:**

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

By: \_\_\_\_\_  
John Pardee

**DEFENDANT HOLZ RUBBER COMPANY, INC.:**

Dated: 12/23/2024 \_\_\_\_\_

By: Dave Smith  
Authorized Officer or Agent  
Holz Rubber Company, Inc.

[Signatures Continue on Next Page]

**DEFENDANT HR OUTSOURCING  
ASSOCIATES, LLC**

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

By: \_\_\_\_\_  
Authorized Officer or Agent  
HR Outsourcing Associates, LLC

APPROVED AS TO FORM:

**D.LAW, INC.**

Dated: December 19, 2024

By:   
\_\_\_\_\_  
Emil Davtyan  
David Yeremian  
David Keledjian  
David Arakelyan

Attorneys for Plaintiff John Pardee,  
Class Members, and PAGA Members

**JACKSON LEWIS P.C.**

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

By: \_\_\_\_\_  
Evan D. Beecher  
Samuel J. Maselli

Attorneys for Defendants  
HOLZ RUBBER COMPANY, INC.  
and HR OUTSOURCING ASSOCIATES, LLC

**DEFENDANT HR OUTSOURCING  
ASSOCIATES, LLC**



Dated: 12/19/24

By: \_\_\_\_\_  
Authorized Officer or Agent  
HR Outsourcing Associates, LLC

APPROVED AS TO FORM:

**D.LAW, INC.**

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

By: \_\_\_\_\_  
Emil Davtyan  
David Yeremian  
David Keledjian  
David Arakelyan

Attorneys for Plaintiff John Pardee,  
Class Members, and PAGA Members

**JACKSON LEWIS P.C.**

Dated: December 18, 2024

By:  \_\_\_\_\_  
Evan D. Beecher  
Samuel J. Maselli

Attorneys for Defendants  
HOLZ RUBBER COMPANY, INC.  
and HR OUTSOURCING ASSOCIATES, LLC

# EXHIBIT 1

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN JOAQUIN**

JOHN PARDEE, on behalf of himself  
and all others similarly situated, and the general  
public,

Plaintiff,

v.

HOLZ RUBBER COMPANY, INC., a California  
corporation; HR OUTSOURCING  
ASSOCIATES, LLC, a Delaware corporation;  
and DOES 1 through 50, inclusive,

Defendants.

Case No.: STK-CV-UOE-2023-0010123

**NOTICE OF PROPOSED CLASS ACTION AND  
PAGA SETTLEMENT, AND HEARING DATE FOR  
FINAL COURT APPROVAL OF SETTLEMENT**

**ATTENTION: ALL PERSONS EMPLOYED BY HOLZ RUBBER COMPANY, INC. AND/OR HR OUTSOURCING CONSULTANTS, LLC AS NON-EXEMPT EMPLOYEES IN CALIFORNIA FROM SEPTEMBER 25, 2019 THROUGH SEPTEMBER 24, 2024:**

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO RECEIVE PAYMENT OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.**

**IF YOU DO NOT WISH TO RECEIVE PAYMENT UNDER THE SETTLEMENT OR PARTICIPATE IN THE SETTLEMENT, YOU MUST REQUEST TO BE EXCLUDED FROM THE SETTLEMENT CLASS ON OR BEFORE**

Pursuant to the Order Granting Preliminary Approval of Class Action and PAGA Settlement of the Superior Court of the State of California in and for San Joaquin County entered [REDACTED], YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for the County of San Joaquin on behalf of all persons currently and formerly employed by Defendants Holz Rubber Company, Inc. and HR Outsourcing Associates, LLC (collectively, "Defendants") as non-exempt employees in California from September 25, 2019 through September 24, 2024 (the "Settlement Class" or "Class Members"); the Settlement Class does not include persons who submit valid Requests for Exclusion (as explained below), or who previously settled, released or received awards for claims covered by the Settlement.

All Class Members who worked any hours for Defendants in California during any work week from September 25, 2022 through September 24, 2024 are aggrieved employees with respect to the California Private Attorneys General Act ("PAGA") ("PAGA Members"), and will be paid their PAGA Award and release the Released PAGA Claims regardless of whether they submit a timely and valid Request for Exclusion from the Settlement.

The "Released Parties" in the Action include: (i) Defendants Holz Rubber Company, Inc. and HR Outsourcing Associates, LLC; (ii) each of Defendants' respective, present and future parents, subsidiaries, partners and affiliates, including, without limitation, any corporation, limited liability company or partnership; (iii) the past, present and future board members, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

You have received this notice because records indicate you worked for Defendants as a non-exempt employee in California during the Class Period and/or PAGA Period (defined below). This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

## **I. BACKGROUND OF THE CASE**

On September 25, 2023, Plaintiff filed a Class Action Complaint in the San Joaquin County Superior Court, asserting the following nine causes of against Defendants: (1) Failure to Provide Meal Periods (Labor Code §§ 204, 223, 226.7, 512, and 1198); (2) Failure to Provide Rest Periods (Labor Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Labor Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Provide Reporting Time Wages; (5) Failure to Pay Proper Sick Pay (Labor Code § 246); (6) Failure to Provide Accurate Wage Statements (Labor Code § 226(a)); (7) Failure to Timely Pay All Final Wages (Labor Code §§ 201, 202, and 203); (8) Failure to Indemnify (Labor Code § 2802); and (9) Unfair Competition (Business and Professions Code §§ 17200 *et seq.*). On November 29, 2023, Plaintiff filed a First Amended Class Action and PAGA Enforcement Complaint against Defendants realleging his prior class claims and adding a cause of action for violations of PAGA, Labor Code section 2698, *et seq.* Plaintiff's First Amended Class Action and PAGA Enforcement Complaint includes all Released Claims (defined below) and Released PAGA Claims (defined below) ("Operative Complaint" or "Action").

The Parties engaged in arms-length settlement negotiation and private mediation. Without an admission of liability or wrongdoing, the Parties reached a settlement at mediation. The class period is from September 25, 2019 through September 24, 2024 (the "Class Period"). The PAGA period is from September 25, 2022 through September 24, 2024 ("PAGA Period").

Plaintiff's Operative Complaint alleges a failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods and meal period premiums, failure to provide rest periods and rest period premiums, failure to furnish accurate itemized wage statements, failure to reimburse business expenses, failure to provide timely wages during employment, failure to provide all wages due upon separation of employment, failure to pay paid sick time, unfair competition, and a PAGA cause of action, on behalf of all persons currently and formerly employed by Defendants as non-exempt employees in California from September 25, 2019 through September 24, 2024. Plaintiff's Operative Complaint seeks recovery of compensatory damages, restitution, penalties, interest, and attorneys' fees and costs. Defendants deny all claims and denies that Plaintiff and the Class Members and PAGA Members are entitled to any recovery.

The Action has been actively litigated. There have been investigations and there has been an exchange of extensive documentation and data. Furthermore, the Parties participated in arms-length settlement negotiations and private mediation. Based upon the negotiations and mediation, and all known facts and circumstances, including the various risks and uncertainties related to legal actions including the complete defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation, the Parties reached the Settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, Defendants continue to deny all allegations and claims, and entering into the Settlement is not an admission of wrongdoing or liability.

The Parties have entered into a Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendants ("Joint Stipulation" or "Settlement"), which has been preliminarily approved by the Court. If you are part of the Settlement Class, you have the opportunity to participate in the Settlement, or to exclude yourself ("opt out") from the Settlement. PAGA Members are not eligible to exclude themselves from, or to opt out of, the Released PAGA Claims.

## **II. SUMMARY OF THE PROPOSED SETTLEMENT**

### **A. The Amount of the Settlement**

Under the terms of the Settlement, Defendants agree to pay a Gross Settlement Amount of \$600,000.00 for all claims, attorneys' fees and costs, enhancement award, penalties of any nature, including PAGA penalties and settlement administration expenses ("Gross Settlement Amount"). Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys' fees not to exceed thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount which equals \$200,000.00, attorneys' costs not to exceed \$20,000.00, an Enhancement Award to the Class Representative not to exceed \$10,000.00, the fees and expenses of the settlement administrator estimated not to exceed \$9,000.00, and \$37,500.00 payable to the California Labor and Workforce Development Agency ("LWDA") for alleged PAGA penalties, which will result in a "Net Settlement Amount" for distribution to all Class Members. As explained further below, the amount of each Class Member's Settlement Award will depend on the number of weeks worked by participating Class Members during the Class Period.

This notice includes for each Class Member the number of weeks each Class Member worked during the Class Period based upon each Class Member's time clock data, and their/his/her estimated Settlement Award. This notice will also list for each PAGA Member the number of weeks worked during the PAGA Period based upon each PAGA Member's time clock data.

### **B. Settlement Formula, and Settlement Awards**

Defendants will pay Settlement Awards through a Settlement Administrator, as described below, to each Class Member who has not submitted a Request for Exclusion from the Settlement. All Settlement Awards will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Settlement Awards payable to eligible Class Members will be

allocated from the Net Settlement Amount and paid as follows: ten percent (10%) will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; fifty (50%) will be allocated to alleged unpaid penalties for which IRS Forms 1099-MISC will issue; and one forty (40%) will be allocated to alleged unpaid interest for which IRS Forms 1099-MISC will issue. Individual PAGA awards (“PAGA Award(s)”) for the PAGA Members will be paid from the PAGA Penalty Amount, after the required payment to the LWDA, as alleged penalties for which IRS Form 1099 will issue. Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during period covered by Settlement.

**C. Calculations to Be Based on Defendants’ Records**

Defendants will calculate the number of weeks worked by all Class Members during the Class Period, and the number of weeks worked by PAGA Members during the PAGA Period, based on each person’s time clock data. Partial workweeks will not be counted; however, if a Class Member or PAGA Member worked only one day as a Class Member or PAGA Member, such Class Member or PAGA Member will be credited with having worked one workweek for purposes of the Settlement. Defendants’ records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator.

**D. Release of Claims**

The Joint Stipulation contains a release, which releases Defendants and the Released Parties from all claims under state, federal, and local law alleged in the Action and that reasonably could have been alleged in the Action based on the factual allegations contained in the Complaint in the Action and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections California Labor Code sections 201, 202, 203, 204, 210, 215, 216, 218.6, 223, 225, 226, 226.3, 226, 226.6, 226.7, 246, 354, 408, 510, 512, 533, 558, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2800, and 2802, California Industrial Welfare Commission Wage Orders, California Code of Regulations, Title. 8, section 11040, 11090, and 3395 *et seq.*, Business and Professions Code sections 17200 *et seq.*, Civil Code sections 1021.5, 3287, and 3289, and including all claims for or related to alleged unpaid wages, minimum wages, hours worked, overtime or double time wages, regular rate of pay, bonus and incentive pay, timely payment of wages during employment, timely payment of wages at separation, business expenses, wage statements, reporting time pay, rounding of employee timekeeping records, paid sick leave, payroll records and recordkeeping, meal periods and meal period premiums, rest breaks and rest break premiums, failure to pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for payments received under the Settlement, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, class actions, representative actions, aggrieved party claims, declaratory relief, penalties of any nature (including but not limited to civil penalties and waiting-time penalties), interest, fees, costs, as well as all other claims and allegations alleged in the Action (collectively, “Released Class Claims”) from September 25, 2019 through September 24, 2024 (“Class Release Period”). Expressly excluded from the release are claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims outside the Class Release Period.

The claims to be released by PAGA Members include all claims arising during the PAGA Period seeking civil penalties under PAGA that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably have asserted based on the facts alleged in the Action and/or the LWDA letter, including but not limited to all claims arising under the California Labor Code including, but not limited to, California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802, and based the facts alleged in the Action (collectively, “Released PAGA Claims”). The Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all PAGA Members from September 25, 2022 through September 24, 2024 (“PAGA Release Period”), and for the entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA Member negotiates (cashes) their/his/her settlement checks sent pursuant to the Settlement, and regardless of whether any PAGA Member opts out of the Released Class Claims. PAGA Members are not permitted to opt out of the Released PAGA Claims.

**E. Resolution of Workweek Disputes**

If a Class Member or PAGA Member disputes the accuracy of Defendants’ time clock records as to the number of weeks worked, any documentation supporting such dispute must be submitted by the Class Member or PAGA Member to the Settlement Administrator. Defendants’ records, time clock data and any additional evidence will be provided to and reviewed by the Settlement Administrator in the event of a dispute about the number of weeks worked by a Class Member or PAGA Member. All workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all disputes will be final and binding.

**F. Enhancement Award for the Class Representative**

Subject to approval by the Court, the Plaintiff and Class Representative Jeremy M. Brown will receive an Enhancement Award

of up to \$10,000.00. This payment will be made for his service as Class Representative, including active participation in prosecution of the Action, as well as willingness to accept the risk of incurring Class Counsel's costs or paying Defendants' attorneys' fees and costs for an unsuccessful outcome in the Action. The Class Representative also signed a general release of all claims, which is broader than the release applicable to all other Class Members, to be eligible for the Enhancement Award.

**G. Attorneys' Fees and Costs**

As consideration for the Settlement and in exchange for the release by the Settlement Class, Defendants agree to pay Class Counsel's attorneys' fees and costs to be set by the Court, up to a maximum of thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount which equals \$200,000.00, and attorneys' costs not to exceed \$20,000.00. Class Counsel's attorneys' fees and costs will be paid and deducted from the Gross Settlement Amount.

**III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER**

**A. Excluding Yourself from Class Action Portion of the Settlement**

If you do not wish to participate in the Settlement, you may be excluded from being a Class Member (*i.e.*, "opt out") by submitting a timely written request to the Settlement Administrator stating you have received notice of the Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement, or words to that effect ("Request for Exclusion"). Your Request for Exclusion must also state your full name, address, date of birth, and dates you were employed by Defendants as a non-exempt employee in California. The Request for Exclusion must be signed, dated, and mailed by First-Class U.S. Mail, or the equivalent, to:

[REDACTED]  
[REDACTED]  
[REDACTED]  
Telephone: [REDACTED]

The Request for Exclusion must be postmarked no later than [REDACTED]. If you submit a Request for Exclusion which is not postmarked by [REDACTED], your Request for Exclusion will be rejected, and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States, it must be sent through the United States Postal Service by First-Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion. Please note you may only exclude yourself as a Class Member and may not exclude yourself as a PAGA Member.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Claims Administrator, no longer be a Class Member, shall be barred from participating as a Class Member in the Settlement, shall not be entitled to object to the Settlement, shall receive no benefits as a Class Member from the Settlement, shall not be deemed to have relinquished the Released Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties. PAGA Members are not entitled to opt out of the Released PAGA Claims and will receive their PAGA Award regardless of whether they/he/she opt(s) out as a Class Member.

**B. Objection to Class Action Portion of the Settlement**

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before Final Approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you may file a written objection and a notice of intention to appear at the Final Approval hearing currently set for [REDACTED], [REDACTED] in Department 10C. You must file the written objection and notice of intention to appear at the Final Approval Hearing with the Office of the Clerk of the San Joaquin County Superior Court at 180 East Weber Avenue, Stockton, California 95202, and send copies to the Claims Administrator, and Counsel as follows:

**CLASS COUNSEL**

Emil Davtyan, Esq.  
David Keledjian, Esq.  
David Arakelyan, Esq.  
D.LAW, INC.  
450 N. Brand Blvd.  
Glendale, CA 91203

**DEFENDANTS' COUNSEL**

Evan D. Beecher, Esq.  
Samuel J. Maselli, Esq/  
JACKSON LEWIS P.C.  
400 Capitol Mall, Suite 1600  
Sacramento, CA 95814

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and dates you were employed as a non-exempt employee in California by Defendants. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court, 180

East Weber Avenue, Stockton, California 95202, and delivered to the Settlement Administrator and each of the above-listed attorneys no later than forty-five (45) calendar days after the Settlement Administrator mails this Class Notice to the Class Members. **PLEASE DO NOT TELEPHONE THE COURT.**

A Class Member may appear at the Final Approval Hearing either in person or through their own counsel, and may object to the Settlement and any of its terms without submitting a prior objection in the manner and by the deadline specified above. If you choose to file an objection to the terms of this Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the San Joaquin County Superior Court and deliver copies to the Settlement Administrator and each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys no later than forty-five (45) days after the Settlement Administrator mails this Class Notice to Class Members. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney. The final fairness hearing at which the Court will be asked to approve the Settlement will be at [REDACTED] a.m./p.m. (Pacific Time) on [REDACTED], in Department 10A, Superior Court of the State of California for the County of San Joaquin, [REDACTED], or such other later date as the Court may authorize. You may also learn more about making a remote appearance in this matter by reviewing the webpage located at [www.\[REDACTED\]](http://www.[REDACTED]).

#### **IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS**

Upon Final Approval being granted by the Court, each and every Class Member, who does not opt out of the Settlement, will release Defendants and the Released Parties from the Released Class Claims as described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Claims. Further, each and every PAGA Member will release Defendants and the Released Parties from the Released PAGA Claims. In addition, Class Members and PAGA Members will be barred from suing Defendants and the Released Parties with respect to the Released Class Claims and the Released PAGA Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue as though it never existed.

#### **V. FINAL SETTLEMENT APPROVAL HEARING**

The Court will hold a hearing in Department 10A of the Superior Court of the State of California in and for the County of San Joaquin, [REDACTED], on [REDACTED], at [REDACTED] a.m./p.m. (Pacific Time), to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, the costs of administration, and the Enhancement Award to be paid to the Class Representatives. Class Counsel's application for attorneys' fees and litigation costs will be on file with the Court no later than [REDACTED] and will be available for review after that date. Class Counsel are seeking approval of a total of not more than thirty-three and one-third percent (33 1/3%) of the Settlement for attorneys' fees, which equals \$200,000.00, and not more than \$20,000.00 for attorneys' costs. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing unless you wish to object to the Settlement.

#### **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendants ("Joint Stipulation or "Settlement"), which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Joint Stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the San Joaquin County Superior Court, at 180 East Weber Avenue, Stockton, California 95202. You may also visit [www.\[REDACTED\]](http://www.[REDACTED]), which will include links to the Joint Stipulation, Class Notice, Motions for Preliminary and Final Approval, and Motion for Attorneys' Fees as they become available. If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel:

Emil Davtyan, Esq.  
David Keledjian, Esq.  
David Arakelyan, Esq.  
D.LAW, INC.  
450 N. Brand Blvd.  
Glendale, CA 91203

Telephone: (818) 962-6465  
Facsimile: (818) 962-6469

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR  
INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.  
BY ORDER OF THE SUPERIOR COURT**



# EXHIBIT 2

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11 and all others similarly situated, and the general public

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17 Attorneys for Defendants  
HOLZ RUBBER COMPANY, INC.  
and HR OUTSOURCING ASSOCIATES, LLC

18 SUPERIOR COURT OF CALIFORNIA

19 COUNTY OF SAN JOAQUIN

20 JOHN PARDEE, on behalf of himself  
21 and all others similarly situated, and the general  
22 public,

23 Plaintiff,

24 v.

25 HOLZ RUBBER COMPANY, INC., a  
California corporation; HR OUTSOURCING  
26 ASSOCIATES, LLC, a Delaware corporation;  
and DOES 1 through 50, inclusive,

27 Defendants.

Case No. STK-CV-UOE-2023-0010123

ASSIGNED FOR ALL PURPOSES TO:  
THE HONORABLE JAYNE LEE,  
DEPARTMENT 10C

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF CLASS  
AND PAGA SETTLEMENT AND  
RELEASE OF CLAIMS BETWEEN  
PLAINTIFF JOHN PARDEE AND  
DEFENDANTS HOLZ RUBBER  
COMPANY, INC. AND HR  
OUTSOURCING ASSOCIATES, LLC**

Complaint Filed: September 25, 2023

FAC Filed: November 29, 2023  
SAC Filed: December 16, 2024  
Trial Date: None Set

The Motion for Preliminary Approval of Class Action and PAGA Settlement (“Motion”) of Plaintiff John Pardee (“Plaintiff”) came before this Court on                     , in Department 10C before the Honorable Jayne Lee, presiding. The Court having considered the papers submitted in support of the Motion and good cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Court grants preliminary approval of the Settlement and the Settlement Class based upon the terms set forth in the Joint Stipulation of Class Action and PAGA Settlement and Release of Claims Between Plaintiff and Defendants (“Stipulation of Settlement” or “Settlement”) filed with the Motion. All terms used herein shall have the same meaning as defined in the Stipulation of Settlement.

2. The settlement set forth in the Stipulation of Settlement appears to be fair, adequate and reasonable to the Class. The Settlement falls within the range of reasonableness and appears to be presumptively valid, subject only to any objections that may be raised at the final fairness hearing and final approval by this Court.

3. A final fairness hearing on the question of whether the proposed Settlement, attorneys’ fees and costs to Class Counsel, Class Representative’s Enhancement Award, penalties of any nature and costs of settlement administration should be finally approved as fair, reasonable and adequate as to the members of the Class is scheduled in Department 10C on the date and time set forth in the Implementation Schedule in Paragraph 10 below.

4. This Court approves, as to form and content, the Notice of Proposed Class Action and PAGA Settlement and Hearing Date for Final Court Approval of Settlement (“Class Notice”)

1 **(Exhibit 1).** The Court approves the procedure for Class Members to opt out of and to object to  
2 the Settlement as set forth in the Stipulation of Settlement and Class Notice.

3 5. The Court directs the mailing of the Class Notice by first-class mail to the Class  
4 Members in accordance with the Implementation Schedule set forth in Paragraph 10 below. The  
5 Court finds the dates selected for the mailing and distribution of the Class Notice, as set forth in the  
6 Implementation Schedule, meet the requirements of due process and provide the best notice

7 ///  
8 practicable under the circumstances and shall constitute due and sufficient notice to all persons  
9 entitled thereto.

10 6. It is ordered that the Settlement Class is preliminarily certified for settlement  
11 purposes only.

12 7. The Court confirms Plaintiff as Class Representative and D.Law, Inc. as Class  
13 Counsel.

14 8. The Court confirms the appointment of Phoenix Class Action Administration  
15 Solutions as the Settlement Administrator.

16 9. To facilitate administration of the Settlement pending final approval, the Court  
17 hereby enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits or  
18 administrative proceedings (including filing claims with the Division of Labor Standards  
19 Enforcement of the California Department of Industrial Relations) regarding claims released by the  
20 Settlement, unless and until such Class Members have filed valid Requests for Exclusion with the  
21 Settlement Administrator and the time for opting out of the class has elapsed.

22 10. The Court orders the following Implementation Schedule for further proceedings:

|       |                                                                                                              |                                                               |
|-------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 23 a. | Deadline for Defendants to Submit<br>Class Member and PAGA Member<br>Information to Settlement Administrator | 21 calendar days after Order<br>Granting Preliminary Approval |
| 24 b. | Deadline for Settlement Administrator<br>to Mail Class Notice to Class Members<br>and PAGA Members           | 45 calendar days after Order<br>Granting Preliminary Approval |
| 25 c. | Deadline for Class Members to<br>Postmark Requests for Exclusion                                             | 45 calendar days after mailing of<br>Class Notice             |

|    |                                                                                                                                                                                                                           |                                                                                                                                                                           |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| d. | Deadline for Defendants to provide written Notice of Rescission of Settlement to Class Counsel (if applicable)                                                                                                            | 14 calendar days after the opt-out deadline                                                                                                                               |
| e. | Deadline for Receipt by Court, Settlement Administrator, and Counsel of any Objections to Settlement                                                                                                                      | 45 calendar days after mailing of Class Notice                                                                                                                            |
| f. | Deadline for Class Counsel to file Motion for Final Approval of Settlement, including Request for Attorneys' Fees and Costs, and Enhancement Awards                                                                       | 16 Court days before Final Approval Hearing                                                                                                                               |
| g. | Deadline for Settlement Administrator to file Declaration of Due Diligence and Proof of Mailing                                                                                                                           | 16 Court days before Final Approval Hearing                                                                                                                               |
| h. | Final Fairness Hearing and Final Approval                                                                                                                                                                                 | Date: <span style="background-color: yellow;">                    </span><br>Time: <span style="background-color: yellow;">                    </span><br>Department: 10A |
| i. | Deadlines for Defendants to fund the Gross Settlement Amount                                                                                                                                                              | 14 calendar days after entry of final order of judgment                                                                                                                   |
| j. | Deadline for Settlement Administrator to mail Settlement Awards and Enhancement Award, and to wire transfer Attorneys' Fees and Costs (if Settlement is Effective)                                                        | 35 calendar days after the Effective Date                                                                                                                                 |
| k. | Deadline for Class Members and PAGA Members to cash Settlement checks (if Settlement is Effective)                                                                                                                        | 120 calendar days after Settlement Administrator mails Settlement Awards and Enhancement Award                                                                            |
| l. | Deadline for Settlement Administrator to distribute uncashed Settlement checks amount to the California Unclaimed Property Fund (if Settlement is Effective)                                                              | 14 calendar days after deadline for class members to cash Settlement checks                                                                                               |
| m. | Settlement Administrator to File Proof of Payment of Settlement Awards, Enhancement Award, Attorneys' Fees and Costs, payment to the California Unclaimed Property Fund, and payment to LWDA (if Settlement is Effective) | 21 calendar days after deadline for Settlement Administrator to pay any unclaimed residue from uncashed Settlement checks to the California Unclaimed Property Fund       |

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**IT IS HEREBY ORDERED.**

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

By: \_\_\_\_\_  
The Honorable Jayne Lee  
Superior Court Judge

# EXHIBIT 3

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Attorneys for Defendants  
HOLZ RUBBER COMPANY, INC.  
and HR OUTSOURCING ASSOCIATES, LLC

**SUPERIOR COURT OF CALIFORNIA**

**COUNTY OF SAN JOAQUIN**

JOHN PARDEE, on behalf of himself  
and all others similarly situated, and the general  
public,

Plaintiff,

v.

HOLZ RUBBER COMPANY, INC., a  
California corporation; HR OUTSOURCING  
ASSOCIATES, LLC, a Delaware corporation;  
and DOES 1 through 50, inclusive,

Defendants.

Case No. STK-CV-UOE-2023-0010123

ASSIGNED FOR ALL PURPOSES TO:  
THE HONORABLE JAYNE LEE,  
DEPARTMENT 10C

**[PROPOSED] ORDER GRANTING  
FINAL APPROVAL OF CLASS AND  
PAGA SETTLEMENT AND RELEASE  
OF CLAIMS BETWEEN PLAINTIFF  
JOHN PARDEE AND DEFENDANTS  
HOLZ RUBBER COMPANY, INC. AND  
HR OUTSOURCING ASSOCIATES, LLC**

Complaint Filed: September 25, 2023  
FAC Filed: November 29, 2023

The above-referenced Class Action and PAGA Representative Action (“Action”) having come before the Court on [REDACTED], in Department 10C before the Honorable Jayne Lee, presiding for a hearing and Order Granting Final Approval of Class Action and PAGA Settlement and Judgment (“Final Order”), consistent with the Court’s Preliminary Approval Order (“Preliminary Approval Order”), filed and entered [REDACTED], and as set forth in the Joint Stipulation of Class Action and PAGA Settlement and Release Between Plaintiff John Pardee and Defendants Holz Rubber Company, Inc. and HR Outsourcing Associates, LLC (“Stipulation of Settlement”) in this Action, and due and adequate notice having been given to all Class Members and PAGA Members as required in the Preliminary Approval Order, and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed, and good cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

1. All terms used herein shall have the same meaning as defined in the Stipulation of Settlement.

2. Consistent with the definitions provided in the Stipulation of Settlement, the terms “Settlement Class” and “Class Members” shall mean all persons employed by Defendants in California as a non-exempt employee from September 25, 2019 through September 24, 2024. The Settlement Class, however, shall not include any person who previously settled or released the claims covered by this Settlement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement, or any person who submitted a timely and valid Request for Exclusion as provided in this Settlement. The “Class Period” shall be September 25, 2019 through September 24, 2024. All Class Members who worked

1 any hours for Defendants in California during any pay period from September 25, 2022 through  
2 September 24, 2024 are aggrieved employees with respect to the California Private Attorneys  
3 General Act (“PAGA”) (“PAGA Members”). PAGA Members will be paid their PAGA Award and  
4 release the Released PAGA Claims regardless of whether they submit a timely and valid Request  
5 for Exclusion from the Settlement. PAGA Members are not eligible to exclude themselves from,  
6 or to opt out of, the Released PAGA Claims (defined below). For purposes of the Settlement and  
7 this Final Order, “Released Parties” as referenced herein and as released in the Settlement shall  
8 collectively mean: (i) Defendants; (ii) each of Defendants’ respective, present and future parents,  
9 subsidiaries, partners and affiliates, including, without limitation, any corporation, limited liability  
10 company or partnership; (iii) the past, present and future board members, directors, officers, agents,  
11 employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants,  
12 representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and  
13 assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with  
14 any of the foregoing.

15 3. This Court has jurisdiction over the subject matter of this Action and over all Parties  
16 to this Action, including all Class Members and PAGA Members.

17 4. Distribution of the Class and PAGA Notice directed to the Class Members and  
18 PAGA Members as set forth in the Stipulation of Settlement and the other matters set forth therein  
19 has been completed in conformity with the Preliminary Approval Order, including notice to all  
20 Class Members and PAGA Members who could be identified through reasonable effort, and is the  
21 best notice practicable under the circumstances. The Class and PAGA Notice provided due and  
22 adequate notice of the proceedings and of the matters set forth therein, including the proposed  
23 Settlement set forth in the Stipulation of Settlement, to all persons entitled to such Class and PAGA  
24 Notice, and the Class and PAGA Notice fully satisfied the requirements of due process. All Class  
25 Members, PAGA Members, Released Class Claims and all Released PAGA Claims, are covered  
26 by and included within the Settlement and this Final Order.

27 5. The Court hereby finds the Settlement was entered into in good faith pursuant to and  
28 within the meaning of California Code of Civil Procedure section 877.6. The Court further finds

1 that the Settlement is fair, adequate and reasonable and that Plaintiff has satisfied the standards and  
2 applicable requirements for final approval of this class action Settlement under California  
3 law, including the provisions of California Code of Civil Procedure section 382 and Federal Rule  
4 of Civil Procedure Rule 23, approved for use by the California state courts in *Vasquez v. Superior*  
5 *Court* (1971) 4 Cal.3d 800, 821.

6 ///

7 6. The Court hereby approves the Settlement set forth in the Stipulation of Settlement  
8 and finds that the Settlement is, in all respects, fair, adequate and reasonable, and directs the Parties  
9 to effectuate the Settlement according to its terms. The Court finds that the Settlement has been  
10 reached as a result of arms-length negotiations and private mediation. The Court further finds that  
11 the Parties have conducted investigation and research, and counsel for the Parties are able to  
12 reasonably evaluate their respective positions. The Court also finds that Settlement at this time will  
13 avoid additional substantial costs, as well as avoid the delay and risks that would be presented by  
14 the further prosecution of the Action. The Court has reviewed the benefits that are being granted as  
15 part of the Settlement and recognizes the significant value to the Class Members and PAGA  
16 Members. The Court also finds that the Class is properly certified as a class for settlement purposes  
17 only.

18 7. As of the date of entry of this Final Order, each and every Released Claim  
19 (as defined in the Stipulation of Settlement and set forth below) of each and every Class Member  
20 is and shall be deemed to be conclusively released as against the Released Parties. As of the date  
21 of this Final Order, the Class Representatives and each and every Class Member who have not  
22 submitted a valid Request for Exclusion are hereby released and forever barred and enjoined from  
23 prosecuting the Released Claims, except as to such rights or claims as may be created by the  
24 Settlement, against Defendants and the Released Parties from any and all claims under state, federal  
25 and local law ultimately alleged in this Action and that reasonably could have been alleged in this  
26 Action based on the factual allegations contained in the operative Complaint in this Action and any  
27 amendments thereto, as to the Class Members, including without limitation, California Labor Code  
28 sections 201, 202, 203, 204, 210, 215, 216, 218.6, 223, 225, 226, 226.3, 226, 226.6, 226.7, 246,

1 354, 408, 510, 512, 533, 558, 1174, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*,  
2 2800, and 2802, California Industrial Welfare Commission Wage Orders, California Code of  
3 Regulations, Title. 8, section 11040, 11090, and 3395 *et seq.*, Business and Professions Code  
4 sections 17200 *et seq.*, Civil Code sections 1021.5, 3287, and 3289, and including all claims for or  
5 related to alleged unpaid wages, minimum wages, hours worked, overtime or double time wages,  
6 regular rate of pay, bonus and incentive pay, timely payment of wages during employment, timely  
7 payment of wages at separation, business expenses, wage statements, reporting time pay, rounding  
8 of employee timekeeping records, paid sick leave, payroll records and recordkeeping, meal periods  
9 and meal period premiums, rest breaks and rest break premiums, failure to pay additional 401(k)  
10 benefits and/or deferred compensation benefits and/or matching benefits for payments received  
11 under the Settlement, unfair competition, unfair business practices, unlawful business practices,  
12 fraudulent business practices, class actions, representative actions, aggrieved party claims,  
13 declaratory relief, penalties of any nature (including but not limited to civil penalties and waiting-  
14 time penalties), interest, fees, costs, as well as all other claims and allegations alleged in the Action  
15 (collectively, “Released Class Claims”) from September 25, 2019 through September 24, 2024  
16 (“Class Release Period”). Expressly excluded from the release are claims for vested benefits,  
17 wrongful termination, violation of the Fair Employment and Housing Act, unemployment  
18 insurance, disability, social security, workers’ compensation, or claims outside the Class Release  
19 Period. In addition, as of the date of this Final Order, the Class Representatives and the Settlement  
20 Class, and each member of the Class who has not submitted a valid Request for Exclusion, are  
21 forever barred and enjoined from instituting or accepting damages or obtaining relief against the  
22 Released Parties for any period from September 25, 2019 through September 24, 2024.

23 8. As of the date of entry of this Final Order, the claims to be released by the PAGA  
24 Members include all claims arising during the PAGA Period seeking civil penalties under PAGA,  
25 that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent  
26 permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA  
27 Members, asserted or could reasonably have asserted based on the facts alleged in the Action and/or  
28 the LWDA letter, including but not limited to all claims arising under the California Labor Code

1 including, but not limited to, sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558,  
2 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802,  
3 and based the facts alleged in the Action (collectively, “Released PAGA Claims”). The Settlement  
4 shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all PAGA Members  
5 from September 25, 2022 through September 24, 2024 (“PAGA Release Period”), and for the  
6 entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA Member negotiates  
7 (cashes) their/his/her settlement checks sent pursuant to the Settlement. PAGA Members cannot  
8 and do not have the right to opt out of the PAGA Group and/or release their PAGA claims against  
9 the Released Parties. As such, an individual opting out of the Settlement Class has no impact as to  
10 their/his/her standing and/or inclusion in the PAGA Group assuming they/he/she qualify(ies) as a  
11 PAGA Member.

12 9. Neither the Settlement nor any of the terms set forth in the Stipulation of Settlement  
13 is an admission by Defendants, or any of the other Released Parties, nor is this Final Order a finding  
14 of the validity of any claims in this Action, or of any wrongdoing by Defendants or any of the other  
15 Released Parties. Neither this Final Order, the Stipulation of Settlement, nor any document referred  
16 to herein, nor any action taken to carry out the Stipulation of Settlement, may be construed as, or  
17 may be used as, an admission by or against Defendants, or any of the other Released Parties, of any  
18 fault, wrongdoing or liability whatsoever. The entering into or carrying out of the Stipulation of  
19 Settlement, and any negotiations or proceedings related thereto, shall not in any event be construed  
20 as, or deemed to be evidence of, an admission or concession with regard to the denials or defenses  
21 by Defendants, or any of the other Released Parties, and shall not be offered in evidence in any  
22 action or proceeding in any court, administrative agency or other tribunal for any purpose  
23 whatsoever other than to enforce the provisions of this Final Order, the Stipulation of Settlement,  
24 the Released Class Claims, the Released PAGA Claims, and any related agreement or release.  
25 Notwithstanding these restrictions, any of the Released Parties may file in this Action, or submit in  
26 any other proceeding, the Final Order, the Stipulation of Settlement, and any other papers and  
27 records on file in this Action as evidence of the Settlement to support a defense of *res judicata*,  
28 collateral estoppel, release or other theory of claim or issue preclusion or similar defense as to the

1 Released Class Claims and the Released PAGA Claims.

2 10. The Court hereby enters judgment in the entire Action as of the filing date of this  
3 Final Order, pursuant to the terms set forth in the Stipulation of Settlement. Without affecting the  
4 finality of this Final Order in any way, the Court hereby retains continuing jurisdiction over the  
5 interpretation, implementation and enforcement of the Settlement and all orders entered in  
6 connection therewith pursuant to California Code of Civil Procedure section 664.6.

7 11. The Court finds the settlement payments provided for under the Settlement to be fair  
8 and reasonable in light of all of the circumstances. The Court orders the calculations and the  
9 payments to be made and administered in accordance with the terms of the Settlement.

10 12. The Court hereby confirms D.Law, Inc. as Class Counsel for the Settlement Class  
11 and for all PAGA Members.

12 13. The Court further finds that the common fund doctrine is applicable to this Action  
13 because there is a sufficiently identifiable class of beneficiaries (“the Class”), the benefits can be  
14 accurately traced to the Settlement that Plaintiff and Class Counsel negotiated on behalf of the  
15 Class, and the fee can be shifted with exactitude to those benefiting as the fee request is a specific,  
16 lump-sum percentage of the common fund. *See Serrano v. Priest* (1977) 20 Cal.3d 25, 34-35. The  
17 Court finds the attorneys’ fees request of thirty-three and one-third percent (33 1/3%) of the Gross  
18 Settlement Amount to be appropriate compensation for Class Counsel. The attorneys’ fees request  
19 is within the range that has been approved by other courts in similar cases and reasonable in light  
20 of the circumstances of this Action, the substantial and beneficial results obtained on behalf of the  
21 Class, and the contingent nature of the recovery over the course of this Action, which included  
22 potential loss at summary judgment, certification and/or trial proceedings. Pursuant to the terms of  
23 the Settlement, and the authorities, evidence, and argument submitted by Class Counsel, the Court  
24 hereby awards Class Counsel attorneys’ fees in the amount of \$200,000.00 and attorneys’ costs in  
25 the amount of \$20,000.00, from the Gross Settlement Amount as final payment for and complete  
26 satisfaction of any and all attorneys’ fees and costs incurred by and/or owed to Class Counsel and  
27 any other person or entity related to this Action. The Court further orders that the award of  
28 attorneys’ fees and costs set forth in this Paragraph shall be administered pursuant to the terms of

1 the Stipulation of Settlement and made payable to and deposited into the bank account of “D.Law,  
2 Inc.” as Class Counsel in this Action.

3 14. The Court also hereby approves and orders payment of an Enhancement Award to  
4 Plaintiff and Class Representative John Pardee in the amount of \$10,000.00 from the Gross  
5 Settlement Amount.

6 15. The Court also hereby approves and orders payment in the amount of \$30,000.00  
7 from the Gross Settlement Amount for PAGA penalties, payable to the California Labor and  
8 Workforce Development Agency.

9 16. The Court also hereby approves and orders payment from the Gross Settlement  
10 Amount for actual claims administration expenses incurred by the Settlement Administrator,  
11                      in the amount of \$                     .

12 17. The Court also hereby approves and orders that any residue from uncashed  
13 settlement award checks after the expiration date will be paid out to the California Unclaimed  
14 Property Fund in the individual’s name pursuant to California Code of Civil Procedure  
15 section 384(b).

16 18. The Court also hereby finds and orders that the Stipulation of Settlement is and  
17 constitutes a fair, adequate, and reasonable compromise of the Released Claims against Defendants  
18 and the Released Parties.

19 19. Provided the Settlement becomes effective under the terms of the Stipulation of  
20 Settlement, the Court also hereby orders that the deadline for mailing the Court-approved  
21 Settlement Awards, attorneys’ fees and costs, and Enhancement Award is as set forth in the  
22 Implementation Schedule within the Preliminary Approval Order.

23 20. The Court also hereby finds that there were no objections to the Settlement raised  
24 by any person on the record at the hearing on the Final Approval Order.

25 **IT IS SO ORDERED. LET JUDGMENT BE ENTERED ACCORDINGLY.**

26  
27 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
The Honorable Jayne Lee  
Superior Court Judge

# EXHIBIT 2