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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **FOR THE COUNTY OF SAN BERNARDINO**

11 EUSEVIO GOMEZ-BARRAZA, on behalf of	) Case No.: CIVSB2323729
12 himself and all others similarly situated,	)
13 Plaintiffs,	) <i>Assigned for all purposes to Judge Donald</i>
14 vs.	) <i>Alvarez - Dept: S23</i>
15 PRC COMPOSITES, LLC, a California limited	) CLASS ACTION AND PAGA
16 liability company; and DOES 1 through 100,	) SETTLEMENT AGREEMENT
17 inclusive,	)
18 Defendants.	) Complaint filed: September 29, 2023
	) FAC filed: February 13, 2024
	) Trial Date: not set

19 This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between
20 the Parties to the civil action entitled *Gomez-Barraza v. PRC Composites, LLC* Case No.
21 CIVSB2323729, currently pending in the San Bernadino Superior Court (the "Action"). Plaintiff
22 Eusevio Gomez-Barraza ("Plaintiff") on behalf of himself, the Class Members, and the PAGA
23 Aggrieved Employees, and PRC Composites, LLC ("Defendant") are collectively referred to as "the
24 Parties" or individually as "Party."

25 **1. DEFINITIONS.**

26 1.1. "Action" means the civil action entitled *Gomez-Barraza v. PRC Composites, LLC*, Case
27 No. CIVSB2323729 currently pending in the San Bernadino Superior Court.

28 1.2. "Administrator" means Phoenix Class Action Administration Solutions ("Phoenix"), the
neutral entity the Parties have agreed to appoint to administer the Settlement.

1 1.3. "Administration Expenses Payment" means the amount the Administrator will be paid
2 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
3 with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary
4 Approval of the Settlement. The estimate based on 127 class members is not to exceed \$6,750.00.

5 1.4. "Class Members" means "any and all non-exempt hourly employees who worked for
6 Defendant in California at any time from September 21, 2019 through the date when the total
7 workweeks reaches 17,993."

8 1.5. "Class Counsel" means Michael Nourmand and James A. De Sario of The Nourmand
9 Law Firm, APC.

10 1.6. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean
11 the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and
12 expenses, respectively, incurred to prosecute the Action.

13 1.7. "Class Data" means Class Member identifying information in Defendant's possession,
14 including the Class Member's name, last-known mailing address, Social Security number, and the
15 Class Member's total earnings during the Class Period and PAGA Pay Periods.

16 1.8. "Class Member" or "Settlement Class Member" means a member of the Class, as either
17 a Participating Class Member or Non-Participating Class Member (including a Non-Participating
18 Class Member who qualifies as a PAGA Aggrieved Employee).

19 1.9. "Class Member Address Search" means the Administrator's investigation and
20 search for current Class Member mailing addresses using all reasonably available sources, methods
21 and means including, but not limited to, the National Change of Address database, skip traces, and
22 direct contact by the Administrator with Class Members.

23 1.10. "Class Notice" means the NOTICE OF CLASS ACTION SETTLEMENT AND
24 HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members, if
25 applicable in the form, without material variation, attached as **Exhibit 1** and incorporated by
26 reference into this Agreement.

27 1.11. "Class Period" means the period from September 21, 2019 through the date when the
28 total workweeks reaches 17,993.

1 1.12. "Class Representative" means Eusevio Gomez-Barraza, the named Plaintiff in the
2 operative complaint in the Action seeking Court approval to serve as a Class Representative.

3 1.13. "Court" means the Superior Court of California, County of San Bernadino.

4 1.14. "Defendant" means PRC Composites, LLC.

5 1.15. "Defense Counsel" means Harvey Berger of Berger & Williams, LLP.

6 1.16. "Effective Date" means the date by when both of the following have occurred:

7 (a) the Court enters a Judgment on its Order Granting Final Approval of the
8 Settlement, and (b) the Judgment is final. The Judgment is final the later of the
9 following: (a) if no Participating Class Member objects to the Settlement, the day the
10 Court enters Judgment; (b) if one or more Participating Class Members objects to the
11 Settlement and intervenes in the action, the day after the deadline for filing a notice
12 of appeal from the Judgment, i.e., 65 days from the date of the Judgment; or if a
13 timely appeal from the Judgment is filed, the day after the appellate court affirms the
14 Judgment and issues a remittitur.

15 1.17. "Final Approval" means the Court's order granting final approval of the Settlement.

16 1.18. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval
17 of the Settlement.

18 1.19. "Final Judgment" means the Judgment Entered by the Court upon Granting Final
19 Approval of the Settlement.

20 1.20. "Gross Settlement Amount" means \$420,000.00, which is the total amount Defendant
21 agrees to pay under the Settlement except as provided in Paragraph 11 below. The Gross Settlement
22 Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA
23 PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service
24 Payment, and the Administrator's Expenses. Class Counsel Fees and Class Counsel Expenses
25 include, without limitation, all such fees and costs incurred to date, as well as such fees and costs to
26 be incurred in documenting the settlement, securing Court approval of this Settlement Agreement,
27 and obtaining judgment in the Action.

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1 1.21. "Gross Individual Wages Percentage" is the percentage derived from dividing each
2 Participating Settlement Class Member's gross wages earned during the Class Period by the total
3 wages earned by all Participating Settlement Class Members during the Class Period.

4 1.22 "Individual Settlement Payment" means the amount of each Participating Settlement
5 Class Member's Gross Individual Settlement Payment less employee portions of state and federal
6 withholding taxes, including the employee FICA, FUTA, and SDI contributions and any other
7 applicable payroll deductions required by law as a result of the payment of the amount allocated to
8 such Participating Settlement Class Member under the terms of this Stipulation

9 1.23. "Individual PAGA Payment" means the PAGA Aggrieved Employee's pro rata share
10 of 25% of the PAGA Allocation calculated according to the number of Pay Periods worked during
11 the PAGA Period.

12 1.24. "Judgment" means the judgment entered by the Court at Final Approval.

13 1.25. "LWDA" means the Labor and Workforce Development Agency, the agency entitled,
14 under Labor Code section 2699, subd. (i).

15 1.26. "LWDA PAGA Payment" means the 75% of the PAGA Allocation paid to the LWDA
16 under Labor Code section 2699, subd. (i).

17 1.27. "Net Settlement Amount" means the Gross Settlement Amount, less the following
18 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
19 Payment, Representative Service Award, Class Counsel Fees Payment, Class Counsel Litigation
20 Expenses Payment, and the Administration Expenses Payment (Defendant's share of employer
21 taxes will be paid separately and in addition to the Gross Settlement Amount). The remainder is to
22 be paid to Participating Class Members as Individual Class Payments.

23 1.28. "Non-Participating Class Member" means any Class Member who opts out of the
24 Settlement by sending the Administrator a valid and timely Request for Exclusion.

25 1.29. "PAGA Aggrieved Employees" means any and all non-exempt hourly employees
26 who worked for Defendant in California at any time from September 21, 2022 through the end of
27 the Class period.

1 1.30. "PAGA Pay Period" means any Pay Period during which a PAGA Aggrieved
2 Employee worked for Defendant for at least one day during the PAGA Period.

3 1.31. "PAGA Period" means the period from September 21, 2022 through the end of the
4 Class Period.

5 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

6 1.33. "PAGA Notice" means Plaintiff's letter to Defendant and the LWDA providing notice
7 pursuant to Labor Code section 2699.3, subd. (a).

8 1.34. "PAGA Penalties" means the PAGA allocation to be paid from the Gross Settlement
9 Amount, allocated 25% to the Aggrieved Employees (\$5,000.00) and the 75% to LWDA
10 (\$15,000.00) in settlement of PAGA.

11 1.35. "Participating Class Member" refers to a Class Member who does not opt out of the
12 class.

13 1.36. "Plaintiff" means Eusevio Gomez-Barraza, the named plaintiff in the Action.

14 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of
15 the Settlement.

16 1.38. "Preliminary Approval Order" means the Order Granting Preliminary Approval and
17 Approval of PAGA Settlement.

18 1.39. "Release Date" means the date on which the Total Workweeks reached 17,993. The
19 Administrator shall calculate the Release Date for purposes of this Agreement.

20 1.40. "Released Class Claims" means the claims being released as described in Paragraph
21 7.2 below.

22 1.41. "Released PAGA Claims" means the claims being released as described in Paragraph
23 7.3 below.

24 1.42. "Released Parties" means: Defendant, Gene Gregory, FNCP II, LLC¹, The Rincon
25 Band of Luiseno Indians, The Colusa Indian Community Council, and all present, former, or future
26 parent companies, subsidiaries, divisions, trusts, predecessors, successors, assigns, joint venture
27

28 ¹ FNCP II, LLC is an investment fund created by the Rincon Band of Luiseno Indians and the
Colusa Indian Community Council for their benefit.

1 and/or corporations; each of the foregoing's present, former or future: owners, officers, directors,
2 shareholders, managers, members, administrators, shareholders, partners, companies, employees,
3 insurers, successors, predecessors, and managing agents; and any and all agents, legal
4 representatives, and/or attorneys of all of the forgoing entities or individuals.

5 1.43. "Representative Service Award" means the payment to the Class Representative for
6 initiating the Action and providing services in support of the Action.

7 1.44. "Request for Exclusion" means a Class Member's submission of a written request to
8 be excluded from the Class Settlement signed by the Class Member.

9 1.45. "Response Deadline" means forty-five (45) days after the Administrator mails Notice
10 to Class Members and shall be the last date on which Class Members and may: (a) mail Requests
11 for Exclusion from the Settlement, (b) mail an Objection to the Settlement, or (c) mail a dispute as
12 to the number of workweeks.

13 1.46. "Settlement" means the disposition of the Action effected by this Agreement and
14 the Judgment.

15 1.47. "Workweek" means any week during which a Class Member worked for Defendant
16 for at least one day, during the Class Period.

17 **2. RECITALS.**

18 2.1. Plaintiff Gomez-Barraza filed the original complaint in San Bernadino County
19 Superior Court on September 21, 2023. Plaintiff filed a First Amended Complaint ("FAC") on
20 February 23, 2024 asserting eight causes of action: 1. Failure to Pay Overtime Wages; 2. Failure to
21 Pay Minimum Wage; 3. Failure to Provide Meal Periods; 4. Failure to Provide Rest Periods; 5.
22 Failure to Pay All Wages Upon Termination; 6. Failure to Provide Accurate Wage Statements; 7.
23 Unfair Competition; and 8. Civil Penalties Under Labor Code § 2699. Thereafter, Plaintiff filed a
24 Second Amended Complaint ("SAC") on March 5, 2025, asserting two new causes of action under
25 the Fair Labor Standards Act (FLSA): 9. Failure to Pay Federal Overtime Wages; and 10. Failure to
26 Pay Federal Minimum Wages. The parties in the Action engaged in informal pre-mediation
27 discovery.

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1 2.2 Defendant denies any liability or wrongdoing of any kind associated with the claims
2 alleged in the Action, and further denies that the Action is appropriate for class treatment for any
3 purpose other than pursuant to this settlement. Defendant contends that it has complied at all times
4 with the California and Federal law. It is Defendant's position that, if this case were to be litigated,
5 class certification would be inappropriate because, among other things, Plaintiff is not an adequate
6 class representative, the Plaintiff's claims are not typical of putative class members, and individual
7 issues predominate over class issues, and at all relevant times, Defendant was owned by Indian
8 tribes, and is entitled to sovereign immunity, voiding any state law claims.

9 2.3. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice
10 to Defendant and the LWDA by sending the PAGA Notice.

11 2.4 On March 7, 2025, the Parties participated in an unsuccessful all-day mediation
12 presided over by Jeff Fuchsman, Esq., but with extensive follow up negotiations, the Parties reached
13 this Agreement to settle the Action.

14 2.5. Before mediation, Plaintiff obtained, through informal discovery, a list of all putative
15 class member and/or PAGA aggrieved employees with employee numbers as identifiers, payroll
16 data spreadsheet for all pay periods from September 2019 to January 2025, timekeeping data
17 spreadsheets for all pay periods from September 2019 to January 2025, Defendant's employee
18 handbook, and Plaintiff's personnel file, time records, and pay records. Plaintiff's investigation was
19 sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*
20 (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th
21 116, 129-130 ("*Dunk/Kullar*").

22 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware
23 of any other pending matter or action asserting claims that will be extinguished or affected by the
24 Settlement.

25 2.7. The Parties agree that the Action, the negotiation and execution of this Settlement
26 Agreement, and all acts performed or documents executed pursuant to or in furtherance of the
27 Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing by Released
28 Parties; (ii) shall not be an admission or evidence of fault by Released Parties in any action before a

civil, criminal, or administrative agency; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Action or with respect to any other proceeding.

3. AMENDMENT OF PLEADINGS

Due to the complexities arising out of FLSA claims, minimal liability under FLSA exists and greatly increases administrative expenses. As a result, Plaintiff agrees upon execution of this Settlement Agreement to file a Third Amended Complaint ("TAC") deleting any FLSA causes of action. Defendants agree that in the event this Settlement Agreement is not finally approved, Plaintiff may further amend the pleadings to reinstate FLSA causes of action and toll all FLSA claims from the date Plaintiff filed the SAC until 30 days after denial of final approval.

4. MONETARY TERMS.

4.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 11 below, Defendant promises to pay \$420,000.00, and no more, as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

4.2.1. To Plaintiff/Class Representative: Representative Service Award to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment, and any Individual PAGA Payment, the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Representative Service Award that does not exceed this amount. As part of the motion for Class Counsel's Fees Payment and Class Litigation Expenses

1 Payment, Plaintiff will seek Court approval for any Representative Service Award no
2 later than sixteen (16) court days before the Final Approval Hearing. If the Court
3 approves a Representative Service Award less than the amount requested, the
4 Administrator will retain the remainder in the Net Settlement Amount. The
5 Administrator will pay the Representative Service Award using IRS Form 1099.
6 Plaintiff assumes full responsibility and liability for employee taxes owed on the
7 Representative Service Award. In exchange for the Representative Service Award,
8 the Class Representative will execute a complete and full release in favor of
9 Defendant, as described in detail below.

10 4.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%,
11 which is currently estimated to be \$147,000.00, and a Class Counsel Litigation
12 Expenses Payment of not more than \$20,000.00. Defendant will not oppose requests
13 for these payments, provided that do not exceed these amounts. Plaintiff and/or Class
14 Counsel will file a Motion for Final Approval requesting Class Counsel Fees
15 Payment and Class Litigation Expenses Payment no later than 16 court days before
16 the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment
17 and/or a Class Counsel Litigation Expenses Payment less than the amounts
18 requested, the Administrator will allocate the remainder to the Net Settlement
19 Amount. Released Parties shall have no liability to Class Counsel or any other
20 Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fees
21 Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will
22 pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using
23 one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability
24 for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation
25 Expenses Payment, and holds Defendant harmless and indemnifies Defendant, from
26 any dispute or controversy regarding any division or sharing of any of these
27 Payments.

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1 4.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
2 \$6,750.00 except for a showing of good cause and as approved by the Court. To the
3 extent the Administration Expenses are less or the Court approves payment less than
4 \$6,750.00, the Administrator will retain the remainder in the Net Settlement Amount.

5 4.2.4. To Each Participating Class Member: Estimated proportionate share of the
6 Net Settlement Amount shall be determined by the Settlement Administrator
7 pursuant to the following formula: To determine the Gross Individual Settlement
8 Payment for each Participating Settlement Class Members, the Settlement
9 Administrator:

10 a) The Settlement Administrator shall calculate the total aggregate number of
11 weeks that all Class Members were employed by, and worked for, Defendants as
12 non-exempt hourly individuals employed in California at any time during the Class
13 Period, excluding weeks when the Class Members did not work or were on leave for
14 the entire week ("Total Workweeks").

15 b) The value of each individual Qualifying Workweek shall then be determined
16 by dividing the Net Settlement Amount by the Total Workweeks, resulting in the
17 "Workweek Value." Each Individual Settlement Share shall then be determined by
18 multiplying the individual Participating Class Member's number of Qualifying
19 Workweeks by the Workweek Value.

20 c) For taxation purposes, the Gross Individual Settlement Payment to each
21 Participating Settlement Class Member shall be allocated as follows: Eighty Percent
22 (80%) shall be attributed to penalties, liquidated damages and interest and payable on
23 an IRS form 1099 and Twenty Percent (20%) shall be attributed to wages ("Wage
24 Component"), to be reported on a W-2 form.

25 d) The Settlement Administrator shall determine the eligibility for, and the
26 amounts of, any Individual Settlement Payments under the terms of this Settlement
27 Agreement.

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1 e) The Gross Individual Settlement Payments will be reduced by any required
2 legal deductions for each Participating Settlement Class Member. Standard
3 employer and employee payroll deductions will be made for state and federal
4 withholding taxes and any other applicable payroll deductions owed by the
5 Participating Class Members as a result of the Wage Component. The Settlement
6 Administrator will issue a check and IRS Form W-2 to each Participating Settlement
7 Class Member for the Wage Component.

8 f) The Parties stipulate to a) provisional class certification for purposes of
9 settling the Action only; and b) stipulate to stay the action pending approval. The
10 Parties agree that class certification will be revoked if the Court denies preliminary
11 or final approval of the settlement, or if the settlement does not become final for any
12 other reason. The Parties shall cooperate in good faith to secure a court order staying
13 the Action and all deadlines, pending implementation of the settlement. If the
14 settlement is declared null and void by Defendant pursuant to Paragraph 11, or if the
15 Court denies preliminary or final approval of the settlement, the Parties will resume
16 litigation.

17 4.2.4.1. Settlement payments to PAGA Aggrieved Employees shall be
18 allocated 100 percent as penalties, and PAGA Aggrieved Employees shall be
19 issued an IRS Form 1099 and be responsible for payment of any and all taxes
20 that are due as a result of their PAGA penalty settlement payments. Any
21 representative service award approved by the Court will result in the issuance
22 of an IRS Form 1099 to Plaintiff, who shall assume full responsibility and
23 liability for the payment of taxes due on such award.

24 4.2.4.2. Effect of Non-Participating Class Members on Calculation of
25 Individual Class Payments (i.e., those that have requested exclusion). Non-
26 Participating Class Members will not receive any Individual Class Payments.
27 The Administrator will retain amounts equal to their Individual Class
28

1 Payments in the Net Settlement Amount for distribution to Participating
2 Class Members on a pro rata basis.

3 4.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
4 \$20,000.00 to be paid from the Gross Settlement Amount, with 75% (\$15,000.00)
5 allocated to the LWDA and 25% (\$5,000.00) allocated to the Individual PAGA
6 Payments.

7 4.2.5.1. PAGA Aggrieved Employees estimated proportionate share of the
8 PAGA Settlement Amount shall be determined by the Settlement
9 Administrator pursuant to the following formula:

10 4.2.5.1.1. Individual PAGA Aggrieved Employees who worked as
11 current and former non-exempt hourly individuals employed by
12 Defendant at any time from September 21, 2022 through the end of
13 the Class Period;

14 4.2.5.1.2. To calculate each Aggrieved Employee's proportionate
15 share: The Settlement Administrator shall calculate the total aggregate
16 number of Pay Periods that all PAGA Individuals were employed by,
17 and worked for Defendant as a non-exempt hourly individual
18 employed in California at any time during the PAGA Period. The
19 value of each individual Pay Period shall then be determined by
20 dividing the PAGA Payment Amount of \$5,000.00 by the Total pay
21 periods resulting in the "Pay Period Value." Each Individual PAGA
22 Share shall then be determined by multiplying the Individual PAGA
23 Member's number of Pay Periods by the Pay Period Value.

24 **5. SETTLEMENT FUNDING AND PAYMENTS.**

25 5.1. Based on a review of its records, Defendant estimates there are 127 Class Members and
26 17,993 workweeks. Defendant estimates there are 78 PAGA Aggrieved Employees who worked a
27 total of 6,694 PAGA Pay Periods.

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1 5.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval
2 of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
3 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must
4 maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and
5 for no other purpose, and restrict access to the Class Data to Administrator employees who need
6 access to the Class Data to perform under this Agreement. Defendant has a continuing duty to
7 immediately notify Class Counsel and defense counsel if it discovers that the Class Data omitted
8 class member identifying information and to provide corrected or updated Class Data as soon as
9 reasonably feasible. Without any extension of the deadline by which Defendant must send the Class
10 Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good
11 faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

12 5.3. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement
13 Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
14 transmitting the funds to the Administrator. Within 60 days of the Court entering an order granting
15 Final Approval Defendant shall deposit \$420,000.00 with the Administrator in an interest-bearing
16 escrow account.

17 **6. DISTRIBUTION OF SETTLEMENT FUNDS.**

18 6.1. Payments from the Gross Settlement Amount. Within fourteen (14) days after
19 Defendant funds the total Gross Settlement Amount, the Administrator will mail checks for all
20 Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the
21 Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation
22 Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class
23 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class
24 Representative Service Payment shall not precede disbursement of Individual Class Payments and
25 Individual PAGA Payments.

26 6.1.1. The Administrator will issue checks for the Individual Class Payments and/or
27 Individual PAGA Payments and send them to the Class Members via First Class U.S.
28 Mail, postage prepaid. The face of each check shall prominently state the date (180

1 days after the date of mailing) when the check will be voided. The Administrator will
2 cancel all checks not cashed by the void date. The Administrator will send checks for
3 Individual Settlement Payments to all Participating Class Members (including those
4 for whom Class Notice was returned undelivered). The Administrator will send
5 checks for Individual PAGA Payments to all Aggrieved Employees including Non-
6 Participating Class Members who qualify as Aggrieved Employees (including those
7 for whom Class Notice was returned undelivered). The Administrator may send
8 Participating Class Members a single check combining the Individual Class Payment
9 and the Individual PAGA Payment. Before mailing any checks, the Settlement
10 Administrator must update the recipients' mailing addresses using the National
11 Change of Address Database.

12 6.1.2. The Administrator must conduct a Class Member Address Search for all other
13 Class Members whose checks are returned undelivered without USPS forwarding
14 address. Within seven (7) days of receiving a returned check the Administrator must
15 re-mail checks to the USPS forwarding address provided or to an address ascertained
16 through the Class Member Address Search. The Administrator need not take further
17 steps to deliver checks to Class Members whose re-mailed checks are returned as
18 undelivered. The Administrator shall promptly send a replacement check to any
19 Class Member whose original check was lost or misplaced, requested by the Class
20 Member before the void date.

21 6.1.3. For any Class Member whose Individual Class Payment check or Individual
22 PAGA Payment check is uncashed and cancelled after the void date, the
23 Administrator shall transmit the funds represented by such checks to the California
24 Controller's Unclaimed Property Fund in the name of the Class Member thereby
25 leaving no "unpaid residue" under Code of Civil Procedure Section 384, subd. (b).

26 6.1.4. The payment of Individual Class Payments and Individual PAGA Payments
27 shall not obligate Defendant to confer any additional benefits, compensation or make
28 any additional payments to Class Members (such as 401(k) contributions or bonuses)

beyond those specified in this Agreement, nor, for current employees, shall such payments be included for any overtime, compensation or benefit purposes.

7. RELEASE OF CLAIMS.

Effective the earlier of the date when Court enters Judgment, or on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, and Participating Class Members will release claims against all Released Parties as follows:

7.1 Plaintiff's Release. As part of the consideration for Plaintiff's representative service award, Plaintiff individually releases all known and unknown claims of any type whatsoever that he may have against the Released Parties. This release is entitled "Individual General Release," ("Release"). This Release includes, but will not be limited to, a release of all claims under the Fair Employment and Housing Act, Americans with Disabilities Act, and Title VII of the Civil Rights Act of 1964, all claims arising out of Plaintiff's employment and termination of employment (other than claims which cannot be released by law), and all claims for wage and hour violations or compensation. This will also include a release of any and all claims, known or unknown, contingent or accrued arising out of any act or event that occurred before execution of the release, including a California Civil Code section 1542 waiver. Plaintiff's Individual General Release expressly does not release claims that cannot be released under the law such as workers compensation.

7.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, the named Plaintiff waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor 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.

7.1.2 Plaintiff acknowledges that the Release will include in its effect, without limitation, all claims which Plaintiff does not know of or suspect to exist at the time of signing this Agreement, and that this Agreement contemplates the release of any such claims.

1 7.1.3 Plaintiff represents that he has had this release para. 7 explained to him by his
2 counsel.

3 7.2 Release by Class Members: Each Class Member who does not opt out of the settlement
4 shall be deemed to release the Released Parties from any and all claims, known or unknown, that:
5 were asserted in any and/or all of the complaints in the Action and/or any of Plaintiff's letters to the
6 LWDA (including any amended complaints or letters); and/or any and all claims, that could have
7 been asserted based on the factual allegations in all of the complaints in the Action and/or any of
8 Plaintiff's letters to the LWDA (including any amended complaints or letters). This includes but is
9 not limited to claims for or related to: failure to pay overtime wages under California law; failure to
10 pay minimum wage under California law; failure to provide meal periods; failure to provide rest
11 periods; failure to pay all wages upon termination; failure to provide accurate wage statements;
12 unfair competition;; any unpaid wages or compensation related to any or all of the foregoing under
13 federal law; restitution related to any or all of the foregoing; and any penalties, including statutory
14 penalties, related to any or all of the foregoing. This release includes, but is not limited to, any and
15 all claims pursuant to: California Labor Code §§ 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7,
16 510, 512, 558, 1194, 1194.2, 1197, 1197.1, and 1199; California Code of Regulations, Title 8, §
17 11070; Business & Professions Code §§ 17200 – 17208 based on or arising out of the Labor Codes
18 and Wage Order alleged in the Action; and applicable Industrial Welfare Commission Wage Order.
19 The release shall run through the Class Period.

20 7.3. Release by PAGA Aggrieved Employees: Each PAGA Aggrieved Employee,
21 irrespective whether opting out of the settlement as a Non-Participating Class Member, shall be
22 deemed to release the Released Parties from any and all claims, known or unknown, for civil
23 penalties under Labor Code section 2698 et seq. (PAGA) that: were asserted in any and/or all of the
24 complaints in the Action and/or any of Plaintiff's letter to the LWDA (including any amended
25 complaints or letters); and/or any and all claims, that could have been asserted based on any or all
26 the factual allegations in any and/or all of the complaints in the Action and/or any of Plaintiff's
27 letters to the LWDA (including any amended complaints or letters). This release includes, but is
28 not limited to, claims for, or related to, PAGA civil penalties premised on: Labor Code §§ 200, 201,

202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1199, 2698, and 2699.3; failure to pay overtime wages; failure to pay minimum wage; failure to provide meal periods; failure to provide rest periods; failure to pay all wages upon termination; and failure to provide accurate wage statements. The release shall run through the PAGA Period.

8. MOTION FOR PRELIMINARY APPROVAL.

Plaintiff will promptly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

8.1 Plaintiff’s Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including a draft of the notice to be sent to the class.

8.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing this agreement; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

9. SETTLEMENT ADMINISTRATION.

9.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of previous experiences administering settlements.

9.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

9.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

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1 9.4. Notice to Class Members.

2 9.4.1 No later than three (3) business days after receipt of the Class Data, the
3 Administrator shall notify Class Counsel that the list has been received and state the
4 number of Class Members, PAGA Aggrieved Employees, earnings and Pay Periods
5 in the Class Data.

6 9.4.2. Using best efforts to perform as soon as possible, and in no event later than
7 fourteen (14) days after receiving the Class Data, the Administrator will send to all
8 Class Members identified in the Class Data, via first-class United States Postal
9 Service ("USPS") mail, the Class Notice with Spanish translation, substantially in
10 the form attached to this Agreement as **Exhibit 1**. The first page of the Class Notice
11 shall prominently estimate the dollar amounts of any Individual Class Payment
12 and/or Individual PAGA Payment payable to the Class Member, and the total
13 earnings during the class period and PAGA Pay Periods (if applicable) used to
14 calculate these amounts. Before mailing Class Notices, the Administrator shall
15 update Class Member addresses using the National Change of Address database.

16 9.4.3. Not later than three (3) business days after the Administrator's receipt of any
17 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail
18 the Class Notice using any forwarding address provided by the USPS. If the USPS
19 does not provide a forwarding address, the Administrator shall conduct a Class
20 Member Address Search, and re-mail the Class Notice to the most current address
21 obtained. The Administrator has no obligation to make further attempts to locate or
22 send Class Notice to Class Members whose Class Notice is returned by the USPS a
23 second time.

24 9.4.4. The deadlines for Class Members' written objections, Challenges to total
25 earnings and/or Pay Periods, and Requests for Exclusion will be extended an
26 additional fourteen (14) days beyond the forty-five (45) days otherwise provided in
27 the Class Notice for all Class Members whose notice is re-mailed. The Administrator
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1 will inform the Class Member of the extended deadline with the re-mailed Class
2 Notice.

3 9.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class Data
5 and should have received Class Notice, the Parties will expeditiously meet and
6 confer in person or by telephone, and in good faith, in an effort to agree on whether
7 to include them as Class Members. If the Parties agree, such persons will be Class
8 Members entitled to the same rights as other Class Members, and the Administrator
9 will send, via email or overnight delivery, a Class Notice requiring them to exercise
10 options under this Agreement not later than fourteen (14) days after receipt of Class
11 Notice, or the deadline dates in the Class Notice, whichever are later.

12 9.5 Requests for Exclusion (Opt-Outs).

13 9.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
14 Settlement must send the Administrator, by mail, a signed written Request for
15 Exclusion not later than forty-five (45) days after the Administrator mails the Class
16 Notice. A Request for Exclusion is a letter from a Class Member or a representative
17 that reasonably communicates the Class Member's election to be excluded from the
18 Settlement and includes the Class Member's name, address and email address or
19 telephone number. To be valid, a Request for Exclusion must be timely postmarked
20 by the Response Deadline.

21 9.5.2 The Administrator may not reject a Request for Exclusion as invalid because it
22 fails to contain all the information specified in the Class Notice. The Administrator
23 shall accept any Request for Exclusion as valid if the Administrator can reasonably
24 ascertain the identity of the person as a Class Member and the Class Member's
25 desire to be excluded. If the Administrator has reason to question the authenticity of
26 a Request for Exclusion, the Administrator may demand additional proof of the Class
27 Member's identity.

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1 9.5.3 Every Class Member who does not submit a timely and valid Request for
2 Exclusion is deemed to be a Participating Class Member under this Agreement,
3 entitled to all benefits and bound by all terms and conditions of the Settlement,
4 including the Participating Class Members' Releases under Paragraphs 7.2 and 7.3 of
5 this Agreement, regardless of whether the Participating Class Member actually
6 receives the Class Notice or objects to the Settlement.

7 9.5.4 Every Class Member who submits a valid and timely Request for Exclusion is
8 a Non-Participating Class Member, and shall not receive an Individual Class
9 Payment or have the right to object to the class action components of the Settlement.
10 Because future PAGA claims are subject to claim preclusion upon entry of
11 Judgment, Non-Participating Class Members who are Aggrieved Employees are
12 deemed to release the claims identified in Paragraph 7.3 of this Agreement and are
13 eligible for an Individual PAGA Payment.

14 9.5.5 Defendant, its counsel, agents, employees, representatives, Plaintiff and Class
15 Counsel shall not encourage, request, direct or intimidate Class Members to submit a
16 Request for Exclusion.

17 9.6 Challenges to Calculation of Earnings. Each Class Member shall have forty-five (45)
18 days after the Administrator mails the Class Notice to challenge the amount and number of the total
19 earnings and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The
20 Class Member may challenge the allocation by communicating in writing with the Administrator
21 via fax, email or mail. The Administrator must encourage the challenging Class Member to submit
22 supporting documentation. In the absence of any contrary documentation, the Administrator is
23 entitled to presume that the earnings contained in the Class Notice are correct so long as they are
24 consistent with the Class Data. The Administrator's determination of each Class Member's
25 allocation of earnings and/or Pay Periods shall be final and not appealable or otherwise susceptible
26 to challenge. The Administrator shall promptly provide copies of all challenges to calculation of
27 earnings and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's
28 determination the challenges.

1 9.7 Objections to Settlement.

2 9.7.1 Only Participating Class Members may object to the class action components
3 of the Settlement and/or this Agreement, including contesting the fairness of the
4 Settlement.

5 9.7.2 Participating Class Members may send written objections to the Administrator
6 by mail. In the alternative, Participating Class Members may appear in Court (or hire
7 an attorney, at their own expense, to appear in Court) to present verbal objections at
8 the Final Approval Hearing. A Participating Class Member who elects to send a
9 written objection to the Administrator must do so not later than forty-five (45) days
10 after the Administrator's mailing of the Class Notice.

11 9.7.3 Non-Participating Class Members have no right to object to any of the class
12 action components of the Settlement.

13 9.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
14 performed or observed by the Administrator contained in this Agreement or otherwise.

15 9.8.1 Toll-Free Number. The Administrator will also maintain a toll-free telephone
16 number to receive Class Member calls.

17 9.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
18 promptly review on a rolling basis Requests for Exclusion to ascertain their validity.
19 Not later than five (5) days after the expiration of the deadline for submitting
20 Requests for Exclusion, the Administrator shall email a list to Class Counsel and
21 Defense Counsel containing (a) the names and other identifying information of Class
22 Members who have timely submitted valid Requests for Exclusion ("Exclusion
23 List"); (b) the names and other identifying information of Class Members who have
24 submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion
25 from Settlement submitted (whether valid or invalid).

26 9.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
27 reports to Class Counsel and Defense Counsel that, among other things, tally the
28 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,

1 Requests for Exclusion (whether valid or invalid) received, objections received,
2 challenges to earnings and/or Pay Periods received and/or resolved ("Weekly
3 Report"). The Weekly Reports must provide the Administrator's assessment of the
4 validity of Requests for Exclusion and attach copies of all Requests for Exclusion
5 and objections received.

6 9.8.4 Earnings Challenges. The Administrator has the authority to address and make
7 final decisions consistent with the terms of this Agreement on all Class Member
8 challenges over the calculation of total earnings. The Administrator's decision shall
9 be final and not appealable or otherwise susceptible to challenge.

10 9.8.5 Administrator's Declaration. Not later than ten (10) days before the date by
11 which Plaintiff is required to file the Motion for Final Approval of the Settlement,
12 the Administrator will provide to Class Counsel and Defense Counsel, a signed
13 declaration suitable for filing in Court attesting to its due diligence and compliance
14 with all of its obligations under this Agreement, including, but not limited to, its
15 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of
16 Class Notices, attempts to locate Class Members, the total number of Requests for
17 Exclusion from Settlement it received (both valid or invalid), the number of written
18 objections and attach the Exclusion List. The Administrator will supplement its
19 declaration as needed or requested by the Parties and/or the Court. Class Counsel is
20 responsible for filing the Administrator's declaration(s) in Court.

21 9.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
22 Administrator disburses all funds in the Gross Settlement Amount, the Administrator
23 will provide Class Counsel and Defense Counsel with a final report detailing its
24 disbursements by employee identification number only of all payments made under
25 this Agreement. At least 15 days before any deadline set by the Court, the
26 Administrator will prepare, and submit to Class Counsel and Defense Counsel, a
27 signed declaration suitable for filing in Court attesting to its disbursement of all
28

1 payments required under this Agreement. Class Counsel is responsible for filing the
2 Administrator's declaration in Court.

3 **10. CLASS AND REPRESENTATIVE CLASS SIZE ESTIMATES**

4 Based on its records, Defendant estimates that (1) there are 127 Class Members who worked
5 a total of 17,993 workweeks, and (2) there are 78 PAGA Representative Action Members who
6 worked a total of 6,694 Pay Periods during the PAGA Period.

7 **11. DEFENDANT'S RIGHT TO WITHDRAW**

8 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds five
9 percent (5%) of the total of all Class Members, Defendant may, but is not obligated, elect to
10 withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall
11 be void ab initio, have no force or effect whatsoever, and that neither Party will have any further
12 obligation to perform under this Agreement. If Defendant decides to withdraw, it will be solely
13 responsible for the Administrators fees. Defendant must notify Class Counsel and the Court of its
14 election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion
15 List to Defense Counsel; late elections will have no effect.

16 **12. MOTION FOR FINAL APPROVAL.**

17 Not later than sixteen (16) court days before the calendared Final Approval Hearing,
18 Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for
19 approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final
20 Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff
21 shall provide drafts of the Proposed Judgment to Defense Counsel before filing the Motion for Final
22 Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by
23 telephone, and in good faith, to resolve any disagreements concerning the Proposed Order and
24 Judgment.

25 12.1 Response to Objections. Each Party retains the right to respond to any objection raised
26 by a Participating Class Member, including the right to file responsive documents in Court no later
27 than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by
28 the Court.

1 12.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
2 Approval on any material change to the Settlement (including, but not limited to, the scope of
3 release to be granted by Class Members), the Parties will expeditiously work together in good faith
4 to address the Court's concerns and negotiate revisions to the Agreement as necessary to obtain
5 Final Approval. The Court's decision to award less than the amounts requested for the
6 Representative Service Awards, Class Counsel Fees Payment, Class Counsel Litigation Expenses
7 Payment and/or Administrator Expenses Payment shall not constitute a material modification to the
8 Agreement within the meaning of this paragraph.

9 12.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
10 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of:

11 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
12 administration matters, and

13 (ii) addressing such post-Judgment matters as are permitted by law.

14 12.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
15 conditions of this Agreement, including the Class Counsel Fees Payment and Class Counsel
16 Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective
17 counsel, and all Participating Class Members who did not object to the Settlement as provided in
18 this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment
19 and appellate proceedings, the right to file motions to vacate judgment, motions for new trial,
20 extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to
21 oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations
22 to perform under this Agreement will be suspended until such time as the appeal is finally resolved
23 and the Judgment becomes final, except as to matters that do not affect the amount of the Net
24 Settlement Amount.

25 12.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
26 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
27 modification of this Agreement (including, but not limited to, the scope of release to be granted by
28 Class Members), this Agreement shall be null and void. The Parties shall then expeditiously work

1 together in good faith to address the appellate court's concerns and to obtain Final Approval and
2 entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the
3 Class Representative Service Payment or any payments to Class Counsel shall not constitute a
4 material modification of the Judgment within the meaning of this paragraph, as long as the Gross
5 Settlement Amount remains unchanged.

6 **13. ADDITIONAL PROVISIONS.**

7 13.1 No Admission of Liability, Class Certification or Representative Manageability for
8 Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
9 Nothing in this Agreement is intended or should be construed as an admission by Defendant that
10 any of the allegations in the SAC have merit or that Defendant has any liability for any claims
11 asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's
12 defenses in the Action have merit. The Parties agree that class certification and representative
13 treatment is for purposes of this Settlement only. If, for any reason the Court does not grant
14 Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest
15 certification of any class for any reason, and Defendant reserves all available defenses to the claims
16 in the Action, and Plaintiff reserves the right to move for class certification on any grounds
17 available and to contest Defendant's defenses. The Settlement, this Agreement and Parties'
18 willingness to settle the Action will have no bearing on, and will not be admissible in connection
19 with, any litigation (except for proceedings to enforce or effectuate the Settlement and this
20 Agreement).

21 13.2 No Solicitation. The Parties separately agree that they and their respective counsel and
22 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
23 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
24 to communicate with Class Members in accordance with Class Counsel's ethical obligations owed
25 to Class Members.

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1 13.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
2 together with its attached exhibits shall constitute the entire agreement between the Parties relating
3 to the Settlement, superseding any and all oral representations, promises, or inducements made to or
4 by any Party.

5 13.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
6 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
7 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its
8 terms, and to execute any other documents reasonably required to effectuate the terms of this
9 Agreement including any amendments to this Agreement.

10 13.5 Cooperation. The Parties and their counsel will cooperate with each other and use their
11 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
12 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
13 if requested by the Court. In the event the Parties are unable to agree upon the form or content of
14 any document necessary to implement the Settlement, or on any modification of the Agreement that
15 may become necessary to implement the Settlement, the Parties will seek the assistance of the Court
16 or a mediator for resolution.

17 13.6 No Previous Assignments. The Parties separately represent and warrant that they have
18 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
19 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
20 action, or right released and discharged by the Party in this Settlement.

21 13.7 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
22 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
23 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
24 10, as amended) or otherwise. The Parties acknowledge and agree that (i) no provision of this
25 Agreement, and no written communication or disclosure between or among the Parties or their
26 attorneys and other advisers, is or was intended to be, nor shall any such communication or
27 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of the
28 United States Treasury Department circular 230 (31 C.F.R. part 10, as amended); (ii) the

1 acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax
2 counsel for advice (including tax advice) in connection with this Stipulation of Settlement, (b) has
3 not entered into this Agreement based upon the recommendation of any other party or any attorney
4 to any other party, and (c) is not entitled to rely upon any communication or disclosure by any
5 attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
6 acknowledging part, and (iii) no attorney or adviser to any other party has imposed any limitation
7 that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of
8 whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax
9 treatment or structure of any transaction, including any transaction contemplated by this Agreement.

10 13.8 Modification of Agreement. This Agreement, and all parts of it, may be amended,
11 modified, changed, or waived only by an express written instrument signed by all Parties or their
12 representatives, and approved by the Court.

13 13.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
14 the benefit of, the successors of each of the Parties.

15 13.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
16 governed by and interpreted according to the internal laws of the state of California, without regard
17 to conflict of law principles.

18 13.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
19 of this Agreement. This Agreement will not be construed against any Party on the basis that the
20 Party was the drafter or participated in the drafting.

21 13.12 Confidentiality. To the extent permitted by law, all agreements made, and orders
22 entered during Action and in this Agreement relating to the confidentiality of information shall
23 survive the execution of this Agreement.

24 13.13 Headings. The descriptive heading of any section or paragraph of this Agreement is
25 inserted for convenience of reference only and does not constitute a part of this Agreement.

26 13.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
27 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
28 weekend or federal legal holiday, such date or deadline shall be on the following business day.

1 13.15 Notice. All notices, demands or other communications between the Parties in
2 connection with this Agreement will be in writing and deemed to have been given as of the third
3 business day after mailing by United States mail, or the day sent by email (with read receipt) or
4 messenger, addressed as follows:

5 **To Plaintiffs:**

6 Michael Nourmand, Esq.
7 James A. De Sario, Esq.
8 THE NOURMAND LAW FIRM, APC
9 8822 West Olympic Boulevard
10 Beverly Hills, CA 90211
11 Tel. (310) 553-3600
12 Email: mnourmand@nourmandlawfirm.com; jdesario@nourmandlawfirm.com

10 **To Defendant:**

11 Harvey C. Berger
12 Berger & Williams, LLP
13 401 B Street, Suite 2000
14 San Diego, California 92101
15 berger@bergerwilliams.com
16 and to: waller@bergerwilliams.com
and to: gene.gregory@prccal.com
and to: stephanie.hak@prccal.com
and to: harris@bergerwilliams.com

17 13.16 Execution in Counterparts. This Agreement may be executed in one or more
18 counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this
19 Agreement shall be accepted as an original. All executed counterparts and each of them will be
20 deemed to be one and the same instrument if counsel for the Parties exchange between themselves
21 signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence
22 and contents of this Agreement.

23 13.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
24 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree
25 that upon the signing of this Agreement, pursuant to CCP section 583.330 to extend the date to
bring a case to trial under CCP § 583.310 for the entire period of this settlement process.

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13.18 Parties' Authority. The signatories represent that they are fully authorized to enter into and bind the Parties to the terms and conditions of this Agreement.

Executed at Fontana, CA, this 17 day of February, 2026.
(print name of city) (print name of state)

Εν συνεχεία.

Signature of Employee
Eusevio Gomez-Barraza

Executed at Ontario, California, this 17 day of February 2026.
(print name of city) (print name of state)

By:

Gene Gregory, CEO
On behalf of Defendant
PRC Composites, LLC