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GARRETT EHRITT



**SUPERIOR COURT OF CALIFORNIA**
**COUNTY OF VENTURA**

GARRETT EHRITT,

Plaintiff,

*v.*

BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC., A CALIFORNIA CORPORATION,
LAUREL J. SCHITTONE;
VICTOR A. SCHITTONE; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 2023CUWT016864

**DECLARATION OF JOSEPH W. ROSE IN SUPPORT OF PLAINTIFF'S UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT**

Complaint Filed: November 27, 2023
Department: 40
Judge: Hon. Mark S. Borrell

[Filed concurrently with Notice of Motion, Memorandum of Points and Authorities in Support of Motion, and Proposed Order]

Motion Hearing Date: October 23, 2025
Motion Hearing Time: 8:30 a.m.

## I. <u>INTRODUCTION</u>

I, Joseph Rose, declare:

1. I am a licensed attorney admitted to the State Bar of California. I am lead counsel of record for the plaintiff in these proceedings. I have personal knowledge of the facts set forth herein and, if called as a witness, I could and would testify competently to them. Attorneys Michael Velarde and Mehran

Tahoori are my co-counsels.

2. I respectfully submit this declaration in support of Plaintiff's Motion for Approval of PAGA Settlement. The purpose of this declaration is to provide the Court with information showing Plaintiff's counsel dutifully litigated this case and evaluated the claims in good faith, and we reached a fair compromise that is in the best interest of the interested parties represented by Plaintiff and his counsel. Counsel further had sufficient factual and legal bases for reaching this settlement considering the potential outcomes of continued litigation. A true and correct copy of the parties' PAGA settlement agreement is attached hereto as **Exhibit 1**.

3. This is a PAGA lawsuit seeking civil penalties stemming from alleged wage and hour violations by Defendants BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC., A California Corporation ("Blackpointe") for allegedly misclassifying employees who worked on public works projects requiring payment of "prevailing wages" under Labor Code sections 1771 and 1774, failing to employ registered apprentices at the appropriate prevailing wage in at least the ratio set forth in Labor Code section 1777.5 on those public works projects, untimely wage payments, and inaccurate itemized wage statements. Blackpointe has consistently denied liability for all these claims and their associated PAGA penalties.

## II. THE PARTIES

4. Defendant Blackpointe is a California corporation based in Moorpark, California, doing business in Ventura County, Santa Barbara County, and elsewhere in California.

5. Defendants Laurel J. Schittone and Victor A. Schittone are officers, directors, and managing agents of Blackpointe having potential personal liability for underpayment of wages under Labor Code section 558.1.

6. Plaintiff Garrett Ehritt ("Plaintiff") worked for Blackpointe at its Moorpark location, and at other locations within Ventura and Santa Barbara counties from August 16, 2021, until his involuntary discharge effective January 9, 2023. Mr. Ehritt was classified as a non-exempt employee.

## III. THE PAGA CLAIM

7. As alleged in the Complaint, Plaintiff, through his counsel, seeks PAGA penalties as set forth in Labor Code Section 2699(f) for the following Labor Code violations:

a. Labor Code §§ 1720, et seq., for Defendants' alleged failure to fully compensate Plaintiff and other Aggrieved Employees under the prevailing wage laws on public works projects and alleged failure to employ registered apprentices at the appropriate prevailing wage in at least the ratio set forth in those laws;

e. Violation of Labor Code §§ 226 for Defendant's alleged failure to provide to Plaintiff and other Aggrieved Employees accurate itemized wage statements; and

f. Violation of Labor Code §§ 201, 202, and 203 for Defendant's alleged failure to timely pay all earned wages owed to Plaintiff and other Aggrieved Employees during employment and upon separation of employment.

## IV. THE AGGRIEVED EMPLOYEES

8. Plaintiff is an "aggrieved employee" within the meaning of the PAGA because he was employed by Defendant Blackpointe, had one or more of the alleged violations committed against him, and therefore is properly suited to represent the interests of all other Aggrieved Employees.

9. The Aggrieved Employees for the purposes of this PAGA settlement include 37 former employees and 28 current non-exempt workers in California, for a total of 65 employees including Plaintiff, who were employed by Defendants in California at any time from September 15, 2022, though the date of approval of the PAGA settlement. According to Blackpointe, the total pay periods to date are 2,069.

## V. PAGA COMPLIANCE, LITIGATION HISTORY, AND MEDIATION

10. Plaintiff filed this PAGA action on January 21, 2021, on behalf of "[a]ll persons currently or formerly employed by Defendants as Non-Exempt Employees within California during the Class Period,…"

11. Before instituting this civil action, Plaintiff provided legally sufficient notice of these PAGA claims on September 15, 2023, to the California Labor and Workforce Development Agency (LWDA) through that agency's Internet case submission system, receiving assigned case number LWDA-CM-981960-23. The PAGA notice was immediately delivered to Defendants by Certified Mail. The LWDA did not exercise its discretion to investigate within 65 days of receiving Plaintiff's notice, thereby authorizing Plaintiff to proceed with this action in superior court on behalf of himself and other

aggrieved employees.

12. The PAGA claims are based primarily upon Blackpointe's alleged misclassification of employees while working on public works projects requiring payment of "prevailing wages" under sections 1771 and 1774. Public works project employers must first properly classify employees for the appropriate trade or craft based upon the scope of work for the project and the actual work performed by the workers so the proper "prevailing wage" rate according to state wage determinations can be applied and calculated. For example, under the Department of Industrial Relations ("DIR") prevailing wage determination, workers in the craft of Landscape Maintenance Laborer perform routine landscape tasks including "mowing, watering, pruning, trimming, weeding, spraying, occasional planting and replacement of plants and janitorial work" or "servicing of irrigation and sprinkler systems, repairing of equipment use in such landscape maintenance" but not more complex landscape construction, repairs, excavation, erosion control or traffic control. Plaintiff contends he and the Aggrieved Employees were misclassified as Landscape Maintenance Laborers, paid at a lower prevailing wage, but should have been classified as Laborer, paid at a higher prevailing wage. Blackpointe disputes this contention and contends Plaintiff and the Aggrieved Employees were properly classified.

13. Plaintiff also contends Blackpointe failed to employ registered apprentices at the appropriate prevailing wage in at least the ratio set forth in section 1777.5 when employing Plaintiff and the Aggrieved Employees. (*Id.*, subd. (b), (d), (e), (g).) Blackpointe also disputes this contention.

14. Plaintiff's unverified complaint seek civil penalties under the PAGA for: Count 4—Violations of Prevailing Wage Laws on Public Works Projects (Lab. Code §§ 1720, et seq.); Count 5—Failure to Furnish Accurate Wage Statements (Lab. Code § 226); Count 6—Willful Failure to Timely Pay Wages When Due at Termination (Lab. Code §§ 201 – 203); Count 8—Labor Code Private Attorneys General Act (Lab. Code §§ 2699, et seq.); all under the California Labor Code and applicable Industrial Welfare Commission (IWC) Wage Orders.

15. Plaintiff also advanced and settled individual claims relating to his alleged unlawful termination from employment on or about January 9, 2023, following his inquiry to management into proper payment of prevailing wages on public works projects, his cooperation with an investigation into Blackpointe's prevailing wage payroll practices by the Center for Contract Compliance in Camarillo,

California, underpayment of earned prevailing wages, with derivative Labor Code violations. Defendants have denied these allegations. These individual non-PAGA claims are unique to Plaintiff and were also settled. Court approval of Plaintiff's individual settlement is not required by law, but Plaintiff discloses it here in candor to the Court.

16. Between the initial filing of the action and mediation, the parties engaged in written discovery, obtained and exchanged documentary evidence including employee, wage, payroll data samples, and other relevant employment information allowing Plaintiff to analyze and estimate the magnitude of potential penalties under various theories of liability. Plaintiff's counsel also obtained publicly available information from various public agencies about public works projects worked on by Blackpointe under the California Public Records Act, and from the Center from Contract Compliance in Camarillo. According to its website, "The Center for Contract Compliance ('CCC') works with local, state, and federal agencies to combat the underground economy. In this collaborative effort, the CCC provides information and resources to ensure law-abiding contractors can bid on a level playing field for public works contracts. [¶] The CCC focuses on issues related to prevailing wage, meal and rest periods, travel and subsistence, safety, apprenticeship, contractor licensing, and workers compensation premium fraud." (https://socalccc.org/, 9/9/2025.)

17. I was able to share and review this data with the Plaintiff and discuss the range of penalties that applied to the different employment positions. Based on information obtained through investigation and discovery, I was able to assess the strengths and weaknesses of the case and the benefits of settlement.

18. The parties attended a mediation with David Phillips, Esq. of Signature Resolution on December 9, 2024, and reached an agreement in principle to settle the PAGA claims. Mr. Phillips is an experienced employment litigator and mediator having more than 25 years of representing both plaintiffs and defendants. Plaintiff attended this mediation. Plaintiff attended this mediation along with his undersigned counsel. The Parties reached an agreement in principle to settle the PAGA claims. At all times, the Parties' negotiations were adversarial and non-collusive. Additionally, both Blackpointe and Plaintiff were represented by experienced counsel through the negotiations. At all times, the parties' negotiations were adversarial and non-collusive.

19. The Parties have finalized a long form proposed settlement of Plaintiff's PAGA claim.

20. The terms of the proposed Settlement are explained in the PAGA Settlement Agreement attached hereto as **Exhibit 1**. A proposed letter notifying the Aggrieved Employees of the PAGA Settlement is attached hereto as **Exhibit 2**. I firmly believe this settlement represents a very favorable resolution of these claims consistent with the purposes of the PAGA.

21. Plaintiff sent the proposed settlement to the LWDA.

## VI. COURT APPROVAL REQUIREMENTS

22. The court approval requirement was added to PAGA as part of the amendments to the Act that were introduced as Senate Bill 1809 in February of 2004 and signed by the Governor and filed with the Secretary of State on August 11, 2004 (*see* Legislative Counsel's Digest to Senate Bill No. 1809, attached hereto as **Exhibit 3**).

23. Senator Joseph L. Dunn, who authored both the original PAGA bill (SB 796) and the amendments (SB 1809) sent a letter addressed to the President Pro Tem of the Senate on July 29, 2004, during the consideration of the amendments in Senate Bill 1809, which was published in the Senate Daily Journal, "to clarify the intent of subdivision (l)" of what would become Labor Code § 2699. Senator Dunn's letter provided, "The purpose of court review of the penalties in subdivision (l) is to ensure that settlements involving penalties arising under Labor Code Section 2699 do not undercut the dual statutory purposes of punishment and deterrence, or result in unjust, arbitrary, and oppressive, or confiscatory settlements". (*See* 7/29/04 Letter from Sen. Dunn to Sen. Burton, attached hereto as **Exhibit 3**).

## VII. REASONABLE ATTORNEYS' FEES AND LITIGATION COSTS

24. Plaintiff's counsel undertook this matter on a pure contingency basis and therefore assumed substantial risk. For their efforts in achieving a common fund settlement that benefits both the LWDA and the Aggrieved Employees, the Parties allocated $8,333 to Plaintiff's counsel as attorneys' fees, representing 33⅓% of the $25,000 common fund. Out-of-pocket litigation costs attributable to the PAGA claim total $1,680, which reflects a proportional allocation of the $8,400 gross total litigation costs advanced between the individual claims (80%) and the PAGA claims (20%), consistent with the distribution of all settlement proceeds for all claims. These fees and costs are reasonable, warranted under the law, and fall within the range commonly approved in similar cases.

25. A one-third common fund attorneys' fee award is also consistent with what courts have

awarded in other representative action cases. The following list shows PAGA actions where attorneys' fees were awarded on a common fund basis of 33⅓%:

a. *Garcia v. Macy's*, San Bernardino County Superior Court, Case No. CIVDS1516007 (33-⅓% fee awarded on $12,500,000 settlement of a PAGA only case);

b. *Garcia v. Pep Boy*s, Orange County Superior Court, Case No. 30-2014-00720574-CU-OE-CJC (33-⅓% fee awarded on a $1,030,000 settlement of a PAGA only case);

c. *Brewer v. Connell Chevrolet*, Orange County Superior Court, Case No. 30-2016-00852123-CU- OC-CXC (33-⅓% fee awarded on a PAGA only case);

d. *Perez v. Staffmark Investment, LLC*, Riverside County Superior Court, Case No. MCC1401137 (33-⅓% fee awarded on a $650,000 settlement of a PAGA only case).

26. Based on the foregoing, awarding attorneys' fees based on a one-third percentage of the gross settlement amount is favored by California Courts when a fund established for the common benefit of others is involved, as is the case here. As such, attorneys' fees here in the amount of $8,333 is proper based on 33⅓% of the $25,000 common fund.

27. Plaintiff's counsel has advanced, and will advance through the conclusion of settlement approval, more than $1,680 in costs in prosecuting this action. These costs were reasonable and necessary, and are itemized as follows:

| Date | Cost | Description |
|---|---|---|
| TBD | $72.00 | CourtCall for Motion Hearing Re: Settlement |
| Sep 9, 2025 | $43.20 | Filing Proposed Order to Approve PAGA Settlement |
| Sep 3, 2025 | $72.00 | CourtCall for Status Conf Re: Settlement |
| Mar 21, 2025 | $43.20 | Filing Proposed Order to Vacate Trial |
| Dec 2, 2024 | $7,495.00 | Mediator's Fee, David Phillips (50% split with Defendant) |
| Apr 22, 2024 | $160.87 | Reimburse payment of required advance jury fees to court. |
| Apr 12, 2024 | $6.75 | Filing of Case Management Statement |
| Nov 27, 2023 | $453.71 | First filing fees for Complaint, Summons, Civil Case Cover Sheet |
| Sep 15, 2023 | $75.00 | Reimburse PAGA filing fee paid to LWDA |
| Sep 15, 2023 | $10.21 | Reimburse postage for certified mail PAGA notice to employers |
| **TOTAL** | **$8,431.94** | **20% proportional share of all case costs equals $1,686.39** |

## VIII. QUALIFICATIONS OF PLAINTIFF'S COUNSEL

28. Plaintiff's counsel undertook representation of Plaintiff to achieve the enforcement purposes of the PAGA, and for benefit of the LWDA and the Aggrieved Employees, on a contingency

fee basis. Plaintiff is entitled to recover his attorney's fees and costs under Labor Code section 2699(k).

29. I have been admitted to practice law by the State Bar of California since November 2004. During this time, I have continuously maintained a full-time private legal practice in California with a focus on individual, class action, and PAGA employment litigation. I have offices in Fair Oaks, Ventura, and Westlake Village, California. Over the last 21 years in practice, I have litigated numerous individual, class action, and PAGA employment cases in federal and state courts for both plaintiff-employees and defendant-employers, both as lead counsel and co-counsel. I have tried many employment cases to jury trial and private arbitration. I have also been admitted pro hac vice in federal district court outside of California in civil litigation. Since 2005, I have been employed part-time as a professor at Lincoln Law of Sacramento, where I teach employment law. I am admitted to all federal district courts in California, the United States Court of Appeals for the Ninth Circuit, and the United States Supreme Court. I am A-V rated by my colleagues and the bench through Martindale-Hubbell.

30. Attorney Michael Velarde has been admitted to practice law by the State Bar of California since December 2009. During this time, Mr. Velarde has continuously maintained a full-time private legal practice in California with a focus on individual and class action employment litigation. Mr. Velarde has offices in Irvine, California. Mr. Velarde's practice focuses on an array of employment law matters, from class and representative actions to whistle blower retaliation and discrimination cases. Mr. Velarde has served as lead counsel in both jury and bench trials and has been recognized as a Super Lawyer Rising Star for eight consecutive years, from 2012 – 2019. Mr. Velarde graduated from the University of Southern California School of Law in 2009 and was admitted to the California State Bar in 2009. From the outset, Mr. Velarde practiced in firms with some of the leading Plaintiff's litigation attorneys in Orange County. He has practiced almost exclusively as a Plaintiff's employment law attorney since 2011 and has had his own firm since 2012. Mr. Velarde has served as lead or co-lead counsel against numerous Fortune 500 companies and leading pharmaceutical, legal, and tax firms, and has represented clients with credentials ranging from PhD scientist, Fire Chief, managerial staff, and television personality to low income and underprivileged clients. Mr. Velarde routinely litigates against partners from some of the largest employment law defense firms in the nation. Mr. Velarde received his B.A. from UC Santa Barbara, and his M.A. from UC San Diego.

31. Attorney Mehran Tahoori has been admitted to practice law by the State Bar of California since 2012. Mr. Tahoori has been employed full-time as a labor and employment attorney in my law office, Rose Law, APC, since 2014, focusing almost exclusively on labor and employment law and litigation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on September 19, 2025, at Ventura County, California.

Joseph Rose

Exhibit 1

**PAGA SETTLEMENT AGREEMENT**
Garrett Ehritt and Blackpointe Group Construction & Management, Inc., et al.

This Labor Code Private Attorney General Act (PAGA) Settlement Agreement ("Agreement") is made by and between Plaintiff GARRETT EHRITT ("Plaintiff") and Defendants BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC., LAUREL J. SCHITTONE, and VICTOR A. SCHITTONE ("Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties," or individually as "Party."

## 1. DEFINITIONS.

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendants captioned *Garrett Ehritt v Blackpointe Group Construction & Management, Inc., et al.*, initiated on November 27, 2023, and pending in Superior Court of the State of California, County of Ventura, designated as Case No. 2023CUWT016864.

1.2. "Administrator" means Phoenix Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means a current or former employee of Defendant BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC. in California who worked for Defendant BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC. on any Public Works Projects during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.8. "Court" means the Superior Court of California, County of Ventura.

1.9. "Defense Counsel" means Jennifer N. Lutz, Esq., Pettit Kohn Ingrassia Lutz & Dolin PC, 11622 El Camino Real, #300, San Diego, California, 92130, Tel. (858) 755-8500.

1.10. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final.

1.11. "Gross Settlement Amount" means TWENTY-FIVE THOUSAND DOLLARS AND NO CENTS ($25,000.00) which is the total amount Defendants agree to pay under this Agreement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.12. "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked on any public works project during the PAGA Period.

1.13. "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

1.15. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.17. "PAGA Counsel" means the attorneys representing the Plaintiff in the Action:

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Mehran Tahoori, Esq.
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Fair Oaks, CA 95628
Tel: (916) 273-1260

Michael E. Velarde, Esq.
VELARDE & VELARDE
19200 Von Karmen Ave., Suite 400
Irvine, CA 92612
Tel: (949) 492-4241

1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.19. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC. for at least one day during the PAGA Period.

1.20. “PAGA Period” means the period from September 15, 2022 to present.

1.21. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.22. “PAGA Notice” means Plaintiff’s letter to Defendants and the LWDA, dated September 15, 2023, providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.23. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($8,883.20), allocated 25% to the Aggrieved Employees ($2,220.80) and the 75% to LWDA ($6,662.40) in settlement of PAGA claims.

1.24. “Public Works Projects” means public works projects exceeding one thousand dollars ($1,000) within the meaning of Labor Code section 1720 for political subdivisions within the meaning of Labor Code section 1721

1.25. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.26. “Released Parties” means: Defendant LAUREL J. SCHITTONE, Defendant VICTOR A. SCHITTONE, and Defendant BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC. and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, and/or professional employer organizations.

1.27. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

## 2. RECITALS.

2.1. On November 27, 2023, Plaintiff GARRETT EHRITT commenced this Action by filing a Complaint alleging causes of action against Defendants for: 1) Retaliation in violation of Labor Code § 1102.5 et seq.; 2) Unlawful discharge in violation of

Labor Code §§ 232 and 232.5; 3) Wrongful Termination in Violation of Public Policy (*Tameny*); 4) Violations of Prevailing Wage Laws on Public Works Projects (Lab. Code §§ 1720, et seq.); 5) Failure to Furnish Accurate Wage Statements (Lab. Code § 226); 6) Willful Failure to Timely Pay Wages When Due at Termination (Lab. Code §§ 201 – 203); 7) Unfair Competition Law (Bus. & Prof. Code §§ 17200 et seq.); and 8) Labor Code Private Attorneys General Act (Lab. Code §§ 2699, et seq.). The November 27, 2023, Complaint is the operative complaint in the Action (the "Operative Complaint.")

2.2. Causes of action one through three alleging retaliation, unlawful discharge, and *Tameny*, are purely personal to Plaintiff. Causes of action four through seven alleging violations of prevailing wage laws on public works projects, inaccurate wage statements, and willful nonpayment of wages at termination are personal to Plaintiff, but also form the basis for civil penalties relating to Plaintiff, the Aggrieved Employees, and the LWDA under the eighth cause of action, PAGA. Settlement of Plaintiff's individual claims is made under a separate individual settlement agreement between the Parties.[1]

2.3. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

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

2.5. On December 9, 2024, the Parties participated in a mediation presided over by mediator David Phillips, Esq., of Signature Resolution in Los Angeles, which led to this arm's-length Agreement to compromise and settle the Action.

2.6. Prior to mediation and negotiating the Settlement, Plaintiff GARRETT EHRITT obtained, through formal written discovery, information related to Defendants' alleged Labor Code violations, include wage and payroll information for the employees and former employees employed by Defendant BLACKPOINTE GROUP CONSTRUCTION & MANAGEMENT, INC. on Public Works Projects during the PAGA Period.

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

[1] Under that separate settlement agreement, the Parties agreed to a compromise settlement of Plaintiff's individual (non-PAGA) claims of $[redacted]. The combined total of the compromise sums for the individual settlement agreement and this PAGA Settlement Agreement is $[redacted].

## 3. MONETARY TERMS.

3.1. Gross Settlement Amount. Defendants promise to pay Twenty-Five Thousand Dollars ($25,000) and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. 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:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one third (1/3) which is $8,333.33 and PAGA Counsel Litigation Expenses Payment of not more than $1,783.47. Defendants will not oppose requests for Court approval of these payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will report the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using IRS 1099, Box 10. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed $5,000 except for a showing of good cause and as approved by the Court.

3.2.3. To the PAGA Representative: A PAGA Representative Payment not to exceed $1,000. Defendants will not oppose requests for Court approval of this payment provided it does not exceed this amount. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Representative Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Representative Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Plaintiff arising from any claim to any portion of any PAGA Representative Payment. The Administrator will report the PAGA Representative Payment using IRS Form 1099, Box 10. Plaintiff assumes full responsibility and liability for taxes owed on the PAGA Representative Payment and holds Defendants harmless from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $8,883.20 to be paid from the Gross Settlement Amount, with 75% ($6,662.40) allocated to the LWDA PAGA Payment and 25% ($2,220.80) allocated to the Individual PAGA Payments.

3.2.5. The Administrator will calculate each Individual PAGA Payment by: (i) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($2,220.80) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period; then (ii) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

## 4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are sixty-five (65) Aggrieved Employees who worked a total of 2,069 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within twenty-one (21) days, Defendants will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator within ten (10) calendar days from the Effective Date.

4.3.1. Payments from the Gross Settlement Amount. Within 14 days after Defendants fully fund the Gross Settlement Amount, the Administrator will mail and/or wire checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Representative Payment, the PAGA Counsel Fees Payment, and the PAGA Litigation Expenses Payment.

4.3.2. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.3. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.3.4. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.3.5. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as, for example, 401(k) contributions or bonuses) beyond those specified in this Agreement.

4.3.6. The Administrator will issue the PAGA Representative Payment payable to the Plaintiff and mail it directly to Plaintiff at 96 Franklin Lane, Ventura, California, 93001

4.3.7. The Administrator will wire the PAGA Counsel Fees Payment and the PAGA Litigation Expenses Payment to PAGA Counsel. PAGA Counsel will provide the Administrator with necessary bank routing number(s), bank account number(s), and wire information.

**5. RELEASES OF CLAIMS**. Conditioned upon Defendants fully and timely funding the entire Gross Settlement Amount, Plaintiff and Aggrieved Employees will release claims against all Released Parties as follows:

5.1.1. <u>Plaintiff's Release</u>. Plaintiff releases and forever discharges Released Parties from all claims, transactions, or occurrences on any Public Works Projects during the PAGA Period, including, without limitation, all claims that were alleged in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, Social Security benefits, Workers' Compensation benefits that arose at any time, or based on occurrences outside of Public Works Projects, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. This release shall be binding upon, and inure to the benefit of, the Parties, and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all Releasees, and to their heirs, representatives, executors, administrators, successors, and assignees.

5.1.2. <u>Plaintiff's Waiver of Rights Under California Civil Code Section 1542</u>. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California 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.

5.2. Release by Aggrieved Employees:

Conditioned upon Defendants fully and timely funding the entire Gross Settlement Amount, all Aggrieved Employees are deemed to release and forever discharge the Released Parties for all PAGA Penalties arising from any Public Works Projects during the PAGA Period, including, without limitation, all PAGA Penalties for claims that were alleged in the Operative Complaint and the PAGA Notice. This release shall be binding upon the Aggrieved Employees and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all Released Parties, and to their heirs, representatives, executors, administrators, successors, and assignees.

5.3. Release by PAGA Counsel:

Conditioned upon Defendants fully and timely funding the entire Gross Settlement Amount, PAGA Counsel release and forever discharge the Released Parties from all claims for attorney's fees and litigation expenses incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice. This release shall be binding upon PAGA Counsel and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all Released Parties, and to their heirs, representatives, executors, administrators, successors, and assignees.

**6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to timely transmission to the LWDA of all necessary PAGA documents (*i.e.*, initial notice of violations (Labor Code section 2699.3, subd. (a)), provision to the LWDA of a file-stamped copy of the Operative Complaint (Labor Code section 2699, subd. (l)(1)), provision to the LWDA of the proposed Settlement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiff and PAGA

Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement and obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's settlement approval to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

**7. SETTLEMENT ADMINISTRATION.**

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Administrators of Orange, California, to serve as the Administrator and verified that, as a condition of appointment, Phoenix Administrators 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 prior experiences administering settlements.

7.2. 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 the state and federal taxing authorities.

7.3. 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.

7.4. Administrator's Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

**8. CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

8.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

## 9. ADDITIONAL PROVISIONS.

9.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

9.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the PAGA Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

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

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

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

9.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

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

9.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants.

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

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

9.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Joseph W. Rose, Esq.
Mehran Tahoori, Esq.
ROSE LAW, APC
4092 Bridge Street
Fair Oaks, CA 95628
Tel: (916) 273-1260

Michael E. Velarde, Esq.
VELARDE & VELARDE
19200 Von Karmen Ave., Suite 400
Irvine, CA 92612
Tel: (949) 492-4241

To Defendants:

Jennifer N. Lutz, Esq.
Pettit Kohn Ingrassia Lutz & Dolin PC
11622 El Camino Real, #300
San Diego, CA 92130
Tel. (858) 755-8500

9.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*e.g.*, DocuSign or other method compliant with the Electronic Signatures in Global and National Commerce Act (E-Sign Act) Act and/or the Uniform Electronic Transactions Act), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

9.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

**Garrett Ehritt ("Plaintiff")**

Dated: 7/8/2025 ______________________________

ID yGB21SxABPmwicecDWqdDsA1

Garrett Ehritt

*Approved as to form:*

Dated: 7/8/2025 Rose Law, APC

By: ______________________________

ID awjecg8XNSbGSiV8TfN3tBpv

Joseph W. Rose
Attorney for Plaintiff
Garrett Ehritt

Dated: 7/8/2025 Velarde & Velarde

By: ______________________________

ID rT9rVGhsk1EXdu223kHEzyZe

Michael E. Velarde
Attorney for Plaintiff
Garrett Ehritt

IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

("Defendants")

Dated: 06/26/2025

**Blackpointe Group Const. & Mgmt., Inc.**

By: ______________________

Laurel Schittone

Its: Chief Executive Officer, Chief Financial Officer

Dated: 06/27/2025

**Blackpointe Group Const. & Mgmt., Inc.**

By: ______________________

Victor Schittone

Its: Secretary

Dated: 06/26/2025

______________________

Laurel Schittone

*Individually*

Dated: 06/27/2025

______________________

Victor Schittone

*Individually*

*Approved as to form:*

Dated: 06/27/2025

PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

By: ______________________

Jennifer N. Lutz

Attorney for Defendants

Blackpointe Group Const. & Mgmt., Inc.,

Laurel Schittone, and Victor Schittone

# eSignature Details

| | |
|---|---|
| **Signer ID:** | **rT9rVGhsk1EXdu223kHEzyZe** |
| Signed by: | Michael Velarde |
| Sent to email: | mvelarde@michaelvelardelaw.com |
| IP Address: | 72.203.85.194 |
| Signed at: | Jul 8 2025, 3:21 pm PDT |
| **Signer ID:** | **yGB21SxABPmwicecDWqdDsA1** |
| Signed by: | Garrett Emerson Ehritt |
| Sent to email: | gehe1212@yahoo.com |
| IP Address: | 104.6.199.13 |
| Signed at: | Jul 8 2025, 4:39 pm PDT |
| **Signer ID:** | **awjecg8XNSbGSiV8TfN3tBpv** |
| Signed by: | Joe Rose |
| Sent to email: | joe@joeroselaw.com |
| IP Address: | 172.117.5.251 |
| Signed at: | Jul 8 2025, 5:47 pm PDT |

**Exhibit 2**

**<u>NOTICE OF SETTLEMENT OF LAWSUIT</u>**
**<u>UNDER THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT ("PAGA")</u>**
**<u>AND RELEASE OF CLAIMS</u>**

*Garrett Ehritt v Blackpointe Group Construction & Management, Inc., et al.*
Ventura Co. Sup. Ct. Case No 2023CUWT016864

<<Name>>
<<Address>>
<<City>>, <<State>>
<<Zip Code>>
XX - XX –

## I. NOTICE OF PAGA SETTLEMENT

The Ventura County Superior Court (the "Court") has approved a settlement in a civil lawsuit filed by Garrett Ehritt ("Plaintiff") on behalf of the State of California seeking civil penalties for himself and all other aggrieved employees captioned *Garrett Ehritt v Blackpointe Group Construction & Management, Inc., et al.*, Case No 2023CUWT016864.

In this lawsuit, Plaintiff seeks to recover civil penalties for alleged violations of the California Labor Code on behalf of the California Labor and Workforce Development Agency ("LWDA") and other aggrieved employees under the Labor Code Private Attorneys General Act (Labor Code §§ 2699 et seq., "PAGA"). These civil penalties are based on Plaintiff's allegations that Blackpointe Group Construction & Management, Inc., Laurel J. Schittone, and Victor A. Schittone ("Defendants") had a practice and policy of: a) misclassifying Plaintiff and similarly aggrieved employees who worked on public works projects in violation of Labor Code §§ 1771 and 1774, and applicable Industrial Welfare Commission ("IWC") Wage Orders; b) failing to employ registered apprentices at the appropriate prevailing wage in at least the ratio set forth in Labor Code § 1777.5 in violation of prevailing wage laws; c) failing to furnish Plaintiff and similarly aggrieved employees with complete, accurate, itemized wage statements each payroll period in violation of Labor Code §§ 226 and 226.3, and applicable IWC Wage Orders; and d) failing to timely pay Plaintiff and similarly aggrieved employees their final wages when terminating employment in violation of Labor Code §§ 201-203, and applicable IWC Wage Orders.

The Court has not decided whether Plaintiff's claims are correct or incorrect. This Notice must not be understood as an expression of opinion by any Court about the merits of Plaintiff's claims. Throughout this litigation, Defendants have denied and continue to deny Plaintiff's allegations. Defendants maintain that they have always complied with the California Labor Code and applicable IWC Wage Orders and agreed to compromise and settle Plaintiff's lawsuit without admitting liability solely to avoid the time, expense, and uncertainty of continued litigation.

You are receiving this Notice because you are in the group of employees referred to in the settlement as "Aggrieved Employees," which includes all current and former non-exempt employees of Defendant who worked on public works projects in California at any time from September 15, 2022, though the date of court approval of this settlement, which was ____________________ [date] (the "PAGA Period").

## II. INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a pro rata basis (i.e., proportional) according to the number of Pay Periods an Aggrieved Employee worked on any public works project during the PAGA Period. Your individual PAGA penalty payment has been calculated at $__________________ [amount to be paid to this employee]. Your payment is enclosed with this Notice.

## III. RELEASE

The Court has approved the parties' Settlement Agreement ("Settlement"). By operation of the Settlement's terms, all Aggrieved Employees including you will release and forever discharge Defendants, and their heirs, representatives, executors, administrators, successors, and assignees for PAGA penalties arising from any public works projects during the PAGA Period.

Upon entry of the Order approving the Settlement, any Aggrieved Employee covered by this Settlement (including you) is barred from proceeding with any claim for civil penalties under the PAGA released by this Settlement.

This scope of the release is limited to PAGA penalties and does not include unpaid wages.

## IV. SETTLEMENT ADMINISTRATOR

**<u>PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.</u>**

You may call the Settlement Administrator, Phoenix Settlement Administrators at (800) 523- 5773 with any questions.

Settlement checks will be void six (6) months after issuance if not deposited or cashed. In such event, the Settlement Administrator shall escheat to the California Labor and Workforce Development Agency (LWDA). If your check is lost or misplaced, you must contact the Settlement Administrator immediately to request a replacement.

**Exhibit 3**

# V. Letter to the Journal re: SB 1809

## [ON LETTERHEAD OF SEN. JOE DUNN]

July 29, 2004

Senator John Burton
President pro Tempore
California State Senate
State Capitol
Sacramento, CA

Dear President Burton:

I respectfully request permission to submit this letter to the Journal to clarify the intent of subdivision (l) contained in Senate Bill 1809. This is in response to an issue raised by the Judicial Council of California.

The purpose of the court review of penalties in subdivision (l) is to ensure that settlements involving penalties arising under Labor Code Section 2699 do not undercut the dual statutory purposes of punishment and deterrence, or result in unjust, arbitrary and oppressive, or confiscatory settlements.

Very truly yours,

JOSEPH L. DUNN
Senator, $34^{th}$ District