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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

CHAVEZ, ISALINA, an individual, on behalf of herself and all others similarly situated;

Plaintiff,

v.

HR VALLEY DH, LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive;

Defendants.

CASE NO.: CIVSB 2404174

[PAGA ACTION]

REVISED [~~PROPOSED~~] ORDER RE MOTION FOR APPROVAL OF PAGA SETTLEMENT

[filed concurrently with Motion for Approval/Memo of P&As; and Decl. of B. Jones]

Hon. Stephanie Thornton-Harris
Dept: S31-SBJC

Date: 11/04/25
Time: 8:30 a.m.

Compl. Filed: 03/19/24
Trial Date: None Set

TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on November 4, 2025, at 8:30 a.m., Plaintiff's Motion for Approval of PAGA Settlement was heard by this Court. The Court having considered the papers and arguments submitted in support thereof,

HEREBY ORDERS AS FOLLOWS:

1. All terms used herein shall have the same meaning as defined in the PAGA Settlement Agreement (the "Agreement") attached as **Exhibit A** to the Second Declaration of Blake R. Jones filed concurrently with this proposed Order.

2. Pursuant to Labor Code section 2699.3, Plaintiff provided timely notice to the California Labor and Workforce Development of Agency ("LWDA") of Plaintiff's intent to pursue this action against Defendant on November 30, 2023.

3. Pursuant to former Labor Code section 2699(l)(2)[1], Plaintiff submitted the Agreement to LWDA via electronic submission on October 12, 2023.

4. The Court has jurisdiction over the subject matter of this litigation, All Aggrieved Employees, and over those persons and entities undertaking obligations under the Agreement.

5. The Agreement is Approved pursuant to Labor Code section 2699(l)(2). The Court finds that the Agreement is, in all respects, fair, adequate, reasonable, and just and is not arbitrary, oppressive or confiscatory and directs the Parties to effectuate the Agreement according to its terms. The Court finds that the Agreement was reached as a result of informed and non-collusive arm's-length negotiations. The Court further finds that the Parties have conducted extensive investigation and research, and their attorneys were able to reasonably evaluate their respective positions. The Court also finds that settlement now will avoid additional and potentially substantial litigation costs, as well as delay and risks if the Parties were to continue to litigate the case. The Court has reviewed the monetary recovery being provided as part of the Settlement and

[1] The California Legislature amended Labor Code section 2699 in July 2024. The new provisions apply to PAGA actions filed on or after June 19, 2024. This Action was filed before then. All citations to Labor Code section 2699 refer to the statutory provision prior to the amendment.

recognizes the significant value accorded to Plaintiff and each Aggrieved Employee.

6. The Notice of PAGA settlement (attached to the Second Declaration of Blake R. Jones as Exhibit B), fairly and adequately describes the Action, the terms of the Settlement, and is the best notice practicable under the circumstances. The Administrator shall also include a certified Spanish translation of the Notice of PAGA Settlement to the Aggrieved Employees.

7. The Court further orders, adjudges, and decrees the following releases of claims set forth in the Agreement shall become effective upon Defendant's full funding of the Agreement.

(a) Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all PAGA claims, transactions or occurrences prior to the date of this Settlement, known or unknown, including, but not limited to: all PAGA claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint, or the PAGA Notice ("Plaintiff's Release"). 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. In addition, Plaintiff is concurrently entering a separate settlement agreement for her individual employment claims pursuant to which she is providing a general release of claims against the Released Parties.

(b) Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties for the duration of the PAGA Period from all claims and theories of recovery for civil penalties pursuant to PAGA that were alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint or the PAGA Notice, including, all claims for civil penalties under PAGA for failure to maintain accurate records, failure to provide compliant meal and rest periods, failure to pay overtime and minimum wages, failure to reimburse business expenses, failure to pay gratuities, failure to provide accurate wage statements, failure to pay all wages during employment and upon separation of employment, and use of unlawful agreements.

(c) Release by PAGA Counsel. PAGA Counsel releases on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

8. The Court approves the Gross Settlement Amount ($126,000), as well as the components of the Gross Settlement Amount, including the Individual PAGA Payments ($14,771.11) and the LWDA PAGA Payment ($44,313.34), including the methodology for calculating these amounts.

9. The Court approves ILYM Group, Inc., as the Administrator and approves its costs and fees not to exceed $7,000.00.

10. The Court approves the PAGA Counsel Fees Payment of $37,800 and PAGA Counsel Litigation Expense Payment of $22,115.55 finding that the attorney's fees and costs are reasonable and warranted.

12. The checks for the Individual PAGA Payments shall be negotiable for 180 days after they are issued. Any funds remaining from uncashed checks for the Individual PAGA Payments shall be disbursed to the California Controller's Unclaimed Property Fund in the name of the respective Aggrieved Employees.

13. The Administrator shall administer the Agreement pursuant to its terms.

14. In the event that Defendant fails to timely transmit the funds to the Administrator for the First or Second Installments, Defendant shall be required to pay a penalty in the amount of 10% of the outstanding funds that Defendant failed to transmit. For example, if Defendant fails to pay $50,000 of the First Installment, Defendant would be assessed a penalty of $5,000 (10% of the outstanding $50,000). Any such penalties assessed shall be distributed 75% to the LWDA and 25% to the Aggrieved Employees.

15. The Court retains jurisdiction over this Action for the purposes of supervising,

administering, interpreting and enforcing the Agreement.

16. Plaintiff shall submit a copy of this Order to the LWDA within 10 days of the date of this Order.

17. The Agreement is not an admission by Defendant or Released Parties defined above, nor is this Order a finding of the validity of any allegations or of any wrongdoing by Defendant or Released Parties. Neither this Order, the Settlement, nor any document referred to herein, nor any action taken to carry out the Agreement, may be construed as, or may be used as an admission of any fault, wrongdoing, omission, concession, or liability whatsoever by or against Defendant or Released Parties.

Dated: ~~November~~ December 10, 2025

Hon. Stephanie Thornton-Harris

EXHIBIT A

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Isalina Chavez ("Plaintiff") and defendant HR Valley DH, LLC; ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiff's lawsuit alleging a PAGA cause of action to recover civil penalties for various purported wage and hour violations of the California Labor Code against Defendant captioned *Chavez v. HR Valley DH, LLC*, Case No. CIV SB 2404174, and pending in Superior Court of the State of California, County of San Bernardino.

1.2 "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the total 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 all non-exempt, hourly workers in California who, at any time during the PAGA Period were employed by Defendant.

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

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 Date" means the date the Court issues an Order approving the settlement.

1.8 "Court" means the Superior Court of California, County of Los Angeles.

1.9 "Defense Counsel" means Higgs Fletcher & Mack, LLP, the attorneys representing the Defendant in the Action.

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. The Judgment is final as of the day the Court enters Judgment.

1.11 "Gross Settlement Amount" means One Hundred Twenty-Six Thousand Dollars and Zero Cents ($126,000.00), which is the total amount Defendant agrees to pay under the Settlement except and unless as otherwise provided in Section 8 below. 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 the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13 "Judgment" means the judgment entered by the Court based upon the approval of the Settlement.

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: Individual PAGA Payments, 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 Blake Jones Law, PC, the attorneys representing the Plaintiff in the Action.

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 for at least one day during the PAGA Period.

1.20 "PAGA Period" means the period from January 14, 2023 – July 18, 2025.

1.21 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).

1.22 "PAGA Notice" means Plaintiff's October 12, 2023, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.23 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.24 "Plaintiff" means Isalina Chavez, the named plaintiff in the Action.

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

1.26 "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.27 "Released Parties" means Defendant, all of its respective present and former parent companies, subsidiaries, divisions, related or affiliated companies, and each of their former and present directors, officers, agents, employees, shareholders, owners, investors, members, attorneys, insurers, predecessors, successors, assigns, and any individual or entity which could be liable for any of the Released PAGA Claims.

1.28 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.29 "Defendant" means named Defendant HR Valley DH, LLC.

2. RECITALS.

2.1 On October 12, 2023, Plaintiff sent a PAGA Notice to Defendant and the LWDA indicating her intention to pursue a PAGA action to recover civil penalties for various purported wage and hour violations of the California Labor Code.

2.2 On March 19, 2024, Plaintiff commenced this Action by filing a Complaint alleging cause of action under PAGA for various alleged violations of the California Labor Code.

2.3 On July 11, 2024, the Parties filed a Joint Stipulation and Order agreeing to stay the Action, pending an Arbitration of Plaintiff's "individual PAGA claims."

2.4 On April 22, 2025, the Parties participated in an all-day mediation presided over by Abe Melamed, Esq. The Action did not settle at that time. Mr. Melamed continued to remain involved and issued a mediator's proposal that was accepted by the parties on July 18, 2025.

2.5 Prior to mediation and negotiating the Settlement, Plaintiff obtained, through informal discovery, Plaintiff's personnel file, wage statements and timecards, an approximate 20% random sampling of the Aggrieved Employees' timecards and wage statements, copies of Defendant's Employee Handbook, and all written policies of Defendant related to wages, hours, timekeeping, and payroll.

2.6 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.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except and unless as otherwise herein, Defendant promises to pay $126,000.00 and no more as the Gross Settlement Amount in consideration for Plaintiff's promises and representations described in this Settlement Agreement and subject to all the conditions of the Settlement being met. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Section 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 Defendant.

Plaintiff does not and will not dispute that the payment made by the Defendant under this Agreement is intended to constitute a deductible business expense to the Defendant to the extent permitted by applicable law and is not intended to be a non-deductible penalty under Section 162(f) of the Internal Revenue Code or any similar provision of law. Plaintiff further does not and will not dispute that the characterization of the payment for tax purposes shall be governed by this intent, but neither Party makes any representation or guarantee as to the ultimate tax treatment by ay taxing authority.

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 33.33%, of the Gross Settlement Amount, which is currently estimated to be $41,995.80 and a PAGA Counsel Litigation Expenses Payment of not more than $23,000. Defendant will not oppose requests for Court approval of these payments provided that 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 any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. 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 Defendant harmless, and indemnifies Defendant, 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 $7,100.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $7,100.00 the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $54,004.20 to be paid from the Gross Settlement Amount, with 75% ($40,503.15) allocated to the

LWDA PAGA Payment and 25% ($13,501.05) allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) 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.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of Defendant's records, , Defendant estimates that there are approximately 391Aggrieved Employees. There were additional 41 non-exempt employees who were hired but did not show up for work. Defendant estimated that the approximate 391 Aggrieved Employees worked an estimated 7,100 pay periods during the PAGA period as of July 15, 2025 (the date of the mediator's proposal.)

4.2 Aggrieved Employee Data. Within seven (7) days after the Approval Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' 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. Defendant has 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 Defendant 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. Defendant shall fully fund the Gross Settlement Amount in two installments. The first installment in the amount of $56,000.00 shall be transmitted to the Administrator no later than 45 days after the Approval Date ("First Installment"). The second installment in the amount of $70,000.00 shall be transmitted to the Administrator within six months of the first installment payment ("Second Installment")

4.4 Payments from the Gross Settlement Amount. The Administrator shall distribute the Gross Settlement Amount by making two distributions. The first distribution of the Gross Settlement Amount shall occur within fourteen days of the Administrator's receipt of the First Installment. The second distribution of the remaining Gross Settlement Amount shall occur within fourteen days of the Administrator's receipt of the Second Installment.

4.4.1 First Distribution. The Administrator will mail checks for the *pro rata* amounts of the First Installment (approximately 44.44% of total payment due) for the Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fee Payment, and the PAGA Counsel Litigation Expenses Payment.

4.4.2 Second Distribution. The Administrator will mail checks for the *pro rata* amounts of the Second Distribution (the remaining approximate 55.56% of total payments) for the Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fee Payment, and the PAGA Counsel Litigation Expenses Payment.

4.4.2.1 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.

4.4.2.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 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.

4.4.2.3 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.

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

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all PAGA claims, transactions or occurrences prior to the date of this Settlement, known or unknown, including, but not limited to: all PAGA claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint, or the PAGA Notice ("Plaintiff's Release"). 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. In addition, Plaintiff is concurrently entering a separate settlement agreement for her individual employment claims pursuant to which she is providing a general release of claims against the Released Parties.

5.1.1 Plaintiff's Waiver of Rights Under Civil Code Section 1542. 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.

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties for the duration of the PAGA Period from all claims and theories of recovery for civil penalties pursuant to PAGA that were alleged, or reasonably could have been alleged, based on the facts alleged in the Complaint or the PAGA Notice, including, all claims for civil penalties under PAGA for failure to maintain accurate records, failure to provide compliant meal and rest periods, failure to pay overtime and minimum wages, failure to reimburse business expenses, failure to pay gratuities, failure to provide accurate wage statements, failure to pay all wages during employment and upon separation of employment, and use of unlawful agreements.

5.2.1 The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude themselves from the Settlement and the associated release of claims and rights under the PAGA.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

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, subdivision (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 firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) 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. The notice of settlement to be sent to the Aggrieved Employees and the proposed Order Granting Approval of PAGA Settlement are to be mutually agreed upon by the Parties prior to being presented to the Court.

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 after the full execution of this Agreement. PAGA Counsel is responsible for delivering the Court's Preliminary 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 ILYM Group, Inc., to serve as the Administrator and verified that, as a condition of appointment the Administrator, 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 state and federal tax 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 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. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on a review of Defendant's records, Defendant estimated that, between the start of the PAGA period of January 14, 2023 and March 27, 2025, Defendant had 432 non-exempt employees, 41 of which were hired but never showed up to work. These 391 employees worked a total of 13,802 weeks during that time period, which equates to approximately 6,901 pay periods during that portion of the PAGA Period. At the time of the July 15, 2025 mediator's proposal, the Parties agreed to an estimate of 7,100 pay periods through that date. If the total number of pay periods in the PAGA Period is determined to be more than 10% of the estimated pay periods (i.e., more than 7,810 pay periods), Defendant shall have the option of: (a) increasing the Gross Settlement Amount by the percentage increase in the number of pay periods worked by the Aggrieved Employees above 10% (e.g. if the number of workweeks increases by 11%, the Gross Settlement Amount will increase by 1%); or (b) rolling back the PAGA Release Periods to the date in which 7,810 pay periods is met.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action and the Settlement pursuant to Code of Civil Procedure section 664.6 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.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the scope of the release granted, 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.

10. ADDITIONAL PROVISIONS.

10.1 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's 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, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's 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).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits and the Parties' separate settlement agreement of Plaintiff's individual claims shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, 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.

10.4 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.

10.5 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.

10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant 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.

10.7 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.

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

10.9 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.

10.10 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.

10.11 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.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant 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 California Rules of Court rule. 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 Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

10.13 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.

10.14 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.

10.15 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:

Isalina Chavez
c/o Blake R. Jones
BLAKE JONES LAW, PC
355 South Grand Avenue
Suite 2450 - #2052
Los Angeles, CA 90071

To Defendant:

HR Valley DH, LLC
c/o Sarah Brite Evans

HIGGS FLETCHER & MACK LLP
401 West A St., Suite 2600
San Diego, CA 92101

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), 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.

10.17 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 that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 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.

Isalina Chavez (Aug 12, 2025 14:17:58 PDT)
Isalina Chavez

Date: 08/12/25

HR Valley DH, LLC

Signed by:
By: Domenic Bonacci Domenic Bonacci
5BC4B28CFD234D4...
Its: EVP

Date: 8/29/2025