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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE**

PAULA SOLORIO and AMALIA PALACIO-  
MORENO, as individuals and on behalf of all  
others similarly situated,

Plaintiffs,

vs.

THERMAL STRUCTURES, INC., a California  
corporation; and DOES 1 through 100,

Defendants.

Case No.: CVRI2300532

*[Assigned for all purposes to the Hon.  
Harold W. Hopp; Dept. 1]*

**DECLARATION OF SEAN M.  
BLAKELY IN SUPPORT OF  
PLAINTIFFS' MOTION FOR  
PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

Date: January 7, 2025  
Time: 8:30 a.m.  
Dept: 1

Reservation ID: 130963481675

Action Filed: February 2, 2023  
Trial Date: None Set

1 I, SEAN M. BLAKELY, declare as follows:

2 1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiffs  
3 Paula Solorio and Amalia Palacio-Moreno (“Plaintiffs”) and the proposed Settlement Class in the  
4 above-captioned matter. I am a member in good standing of the bar of the State of California and  
5 am admitted to practice in this Court. I have personal knowledge of the facts stated in this  
6 declaration and could testify competently to them if called upon to do so.

7 2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California  
8 State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk  
9 for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein &  
10 Marias I assisted trial attorneys in employment and personal injury cases. From September 2011  
11 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC  
12 in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused  
13 on representing employees in wage and hour class actions. My work at Mahoney Law Group,  
14 APC also included representing employees in individual claims for wrongful termination,  
15 harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I  
16 performed at Mahoney Law Group, APC included: conducting client intakes performing pre-  
17 filing research and analysis, drafting complaints, attending court hearings, corresponding with  
18 opposing counsel, drafting and responding to written discovery, preparing for and taking and  
19 defending depositions, analyzing payroll and timekeeping records and employee handbooks,  
20 opposing motions for summary judgment, as well as a variety of other motions such as motions  
21 for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to  
22 quash, and motions for class certification, drafting mediation briefs, attending mediations,  
23 drafting long-form settlement agreements, drafting motions for preliminary and final settlement  
24 approval, and overseeing the notice process.

25 3. Since November 8, 2016, I have worked at my current firm, Haines Law Group,  
26 APC, where, in 2020, I became a Partner. I am currently responsible for managing over fifty (50)  
27 active wage and hour class and representative actions in both state and federal court.

28 4. The following is a non-exhaustive list of wage and hour class actions in which I

1 have been appointed as class counsel and/or played a significant role in prosecuting the litigation,  
2 and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al*, Case  
3 No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding  
4 (granted final approval of settlement on behalf of employees at rehabilitation facility involving  
5 claims for unpaid wages and meal and rest period violations, and other claims, in which I was  
6 approved at an hourly rate of \$325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance*  
7 *Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F.  
8 Highberger presiding (granting final approval of settlement on behalf of healthcare workers for  
9 unpaid wages, meal and rest period violations, and other claims, in which I was approved at an  
10 hourly rate of \$325 for work performed in 2012-2013); *Arteaga v. Command Center Security,*  
11 *Inc.*, Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard  
12 Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving  
13 claims for unpaid overtime, meal and rest period violations, and other claims, in which I was  
14 approved at an hourly rate of \$425 for work performed in 2012-2015); *Casadine v. Maxim*  
15 *Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court,  
16 Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement  
17 on behalf of home health care employees involving claims for unpaid wages and other claims, in  
18 which I was approved at an hourly rate of \$425 for work performed in 2012-2015); *Guzman v.*  
19 *Andrew Lauren Interiors, Inc., et al.*, Case No. BC567757, California Superior Court, Los  
20 Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf  
21 of construction workers involving claims for unpaid wages, meal and rest period violation, and  
22 other claims, in which I was approved at an hourly rate of \$425 for work performed in 2014-  
23 2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California  
24 Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of  
25 settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period  
26 violations, and other claims, in which I was approved at an hourly rate of \$425 for work performed  
27 in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior  
28 Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of

1 settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and  
2 related violations, approved at hourly rate of \$475 for work performed in 2016 and 2017); *Galvan*  
3 *v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California  
4 Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of  
5 settlement on behalf of non-exempt employees of a chemical manufacturing company involving  
6 claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al.*,  
7 Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge  
8 Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid  
9 overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et*  
10 *al.*, Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F.  
11 Highberger presiding (granting final approval of settlement involving claims for wage statement  
12 violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al.*, Case  
13 No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger  
14 presiding (granting final approval of settlement on behalf of direct support professionals  
15 involving claims for unpaid wages, meal and rest period violations, wage statement violations,  
16 and other claims); *Aguilar v. Act Fulfillment, Inc.*, Case No. RIC1616643, California Superior  
17 Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement  
18 on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval*  
19 *v. AMCOR Flexibles Inc.*, Case No. BC617499, California Superior Court, Los Angeles County,  
20 Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of  
21 manufacturing employees involving claims for unpaid wages, meal period violations, rest period  
22 violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C.*, Case No.  
23 RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding  
24 (granting final approval of settlement on behalf of non-exempt employees of a freight railcar  
25 manufacturer involving claims for unpaid overtime and minimum wages, meal period violations,  
26 and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior  
27 Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of  
28 settlement involving claims for unpaid overtime and minimum wages, rest period violations,

wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf

1 of non-exempt commissioned salespersons and other employees involving claims for unpaid  
2 wages, meal and rest period violations, unreimbursed business expenses, and other claims); and  
3 *Matthew Tovar, et al. v. Rentokil North America, Inc.*, Case No. BC676386, California Superior  
4 Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of  
5 settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and  
6 rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc.*, Case No.  
7 CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman  
8 presiding (granting final approval of settlement on behalf of sales development representatives  
9 involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy*  
10 *Aguilar, et al. v. Aero Port Services, Inc.*, Case No. BC659234, California Superior Court, Los  
11 Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf  
12 of non-exempt employees involving claims for meal and rest period violations, and other claims);  
13 *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al.*, Case No. RIC1709905, California  
14 Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of  
15 settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid  
16 wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive*  
17 *d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court,  
18 Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf  
19 of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period  
20 violations, unreimbursed business expenses, and penalty claims).

21 5. I have also moved to certify and have received an order certifying a class action in  
22 *Ontiveros v. Safelite Fulfillment, Inc., et al.*, Case No. CV 15-7118-DMG (RAOx), United States  
23 District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six  
24 classes of employees for rest period violations, wage statement violations, meal period violations,  
25 and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company*, Case No.  
26 16-CV-02749-WQH (BLM), United States District Court, Southern District of California,  
27 Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes,  
28 wage statement class, and waiting time penalty class).

1           6.       In each year from 2018-2023, Thomson Reuters recognized me as a Top Young  
2 Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an  
3 honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty  
4 in Southern California each year.

5           7.       As counsel for Plaintiffs and the proposed Settlement Class, I have been intimately  
6 involved in this case and I believe that the proposed Settlement is an excellent result for the  
7 Settlement Class.

8           8.       Defendant Thermal Structures, Inc. (“TSI”) is a designer and manufacturer of  
9 insulation and composite products for the aerospace, marine, military, and construction industries.  
10 TSI operates out of its headquarters in Corona, California.

11          9.       On February 2, 2023, Plaintiffs filed their Class Action Complaint in Riverside  
12 County Superior Court, alleging causes of actions for: (1) minimum wage violations; (2) failure  
13 to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) wage  
14 statement violations; (6) waiting time penalties; and (7) unfair competition in violation of  
15 California Business & Professions Code § 17200 *et seq.* On October 9, 2023, Plaintiffs submitted  
16 their PAGA notice letter to the LWDA. Attached hereto as **Exhibit B** is a true and correct copy  
17 of the LWDA letter. As a condition of the Settlement, the Parties stipulated to Plaintiffs’ filing of  
18 a First Amended Class and Representative Action Complaint (“FAC”) solely for the purpose of  
19 adding a cause of action for civil penalties under the Private Attorneys’ General Act of 2004,  
20 Labor Code Section 2698, *et seq.* On October 25, 2024, Plaintiffs filed the operative FAC.

21          10.      After Plaintiffs filed this class action, TSI produced arbitration agreements signed  
22 by Plaintiffs which contained class action waivers, and further represented that all putative class  
23 members signed arbitration agreements with class action waivers. Despite the existence of  
24 arbitration agreements, the Parties agreed to attend mediation to explore a potential 1-year class  
25 and PAGA settlement. In connection with mediation, TSI provided Plaintiffs with a sampling of  
26 time and payroll records for putative class members, TSI’s employee handbook(s), and other  
27 relevant data points and information such as the total number of putative class members and the  
28 total number of aggregate workweeks worked during the Class Period. Plaintiffs conducted a

comprehensive analysis and extrapolation of the data produced to calculate TSI's potential exposure for each of Plaintiffs' claims. This discovery allowed the Parties to assess the merits and value of Plaintiffs' claims, the chances of certification of Plaintiffs' claims, and TSI's potential defenses.

11. On October 24, 2023, the Parties participated in a full-day mediation with Marc J. Feder, Esq., a highly experienced wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiffs' claims, and the legal basis for the claims and defenses. At the conclusion of the mediation, Mr. Feder issued a mediator's proposal for a classwide settlement, which was ultimately accepted by both sides. During the months that followed mediation, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the court. A true and correct copy of the Stipulation of Settlement ("Settlement") is attached hereto as **Exhibit A**. The proposed Class Notice, Request for Exclusion Form, and Objections Form are attached as **Exhibits 1, 2, and 3** respectively, to the Settlement.

12. The monetary terms of the Settlement are summarized below:

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| • Gross Settlement Amount:                                | \$251,920.00        |
| • Minus Court-approved attorneys' fees:                   | \$83,973.33         |
| • Minus Court-approved verified costs (up to):            | \$20,000.00         |
| • Minus Court-approved Enhancement Payments:              | \$15,000.00         |
| • Minus amount set aside as PAGA penalties:               | \$20,000.00         |
| • <u>Minus estimated Settlement Administration costs:</u> | <u>\$8,500.00</u>   |
| Net Settlement Amount ("NSA"):                            | \$104,446.67        |
| • PLUS 25% "PAGA Amount" to Settlement Class:             | \$5,000.00          |
| <b>Total Amount Paid to Settlement Class members:</b>     | <b>\$109,446.67</b> |

13. Based on information from TSI, there are approximately 225 Settlement Class members. Therefore, the average Individual Settlement Share from the NSA is projected to be approximately \$464.21. There are approximately 225 aggrieved employees who worked during the PAGA Period. Therefore, the average payment from the PAGA Amount is estimated to be approximately \$22.22.

14. As an initial matter, TSI asserts that Plaintiffs and all Class Members signed valid and enforceable arbitration agreements with class action waivers. Setting aside any arguments as

1 to the merits of Plaintiffs' claims, TSI contends that absent settlement, a class-wide recovery for  
2 all Class Members was not possible and that only PAGA civil penalties could potentially be  
3 recovered on behalf of the Settlement Class. As such, TSI contends that absent its agreement to  
4 not raise the arbitration agreements as an affirmative defense any recovery to Class Members  
5 would be limited to only the employee's potential 25% share of PAGA civil penalties.

6 15. Plaintiffs contend that TSI underpaid Class Members due to its allegedly unlawful  
7 timekeeping policies/practices. Plaintiffs allege that TSI required Class Members to clock in five  
8 to fifteen minutes prior to the start of their scheduled shifts, but only compensated employees  
9 based on the scheduled start time, rather than for all hours on the clock. Plaintiffs and Class  
10 Members were therefore not compensated for work performed prior to the start of their scheduled  
11 shifts. Plaintiffs further allege that for at least a portion of the PAGA/Class Period, Plaintiffs and  
12 Class Members were required to undergo temperature checks off-the-clock, for which they were  
13 not compensated for. Based on Plaintiffs' review of employee timekeeping records, Plaintiffs  
14 estimate that Class Members were underpaid by approximately 5,248 hours. Therefore, Plaintiffs  
15 calculated the maximum exposure for this claim at approximately \$103,281 (5,248 hours \* \$19.68  
16 average hourly rate). However, TSI claims that its timekeeping policies complied with California  
17 law and resulted in Class Members being compensated for all hours actually worked. TSI argues  
18 that it was not possible for employees to begin working prior to their scheduled start of shift, and  
19 therefore, employees could not perform compensable work prior to the start of their scheduled  
20 shift. TSI further contends that its policies prohibit off-the-clock work. TSI also argued that  
21 Plaintiffs would be unable to certify this claim given the individualized inquiries as to whether  
22 employees were in fact underpaid, or overpaid for each workday in question. In light of these  
23 defenses and arguments, Plaintiffs discounted TSI's maximum exposure by 75% for the risk of  
24 non-certification and the ability to proceed on a class-wide basis due to the arbitration agreements,  
25 and an additional 40% to account for TSI's defenses on the merits or failing to recover the full  
26 amount sought, to arrive at an estimated total of approximately \$15,492.

27 16. Plaintiffs allege that TSI failed to provide timely thirty (30) minutes meal periods  
28 to Class Members. Plaintiffs further allege that TSI automatically deducted 30 minutes for

1 Plaintiffs' first meal periods, even though all operations did not cease for meal periods.  
2 Furthermore, TSI employed a bell system that rang for the start of meal periods at exactly five  
3 hours after the start of employees' scheduled shifts, and that rang at the end of meal periods  
4 exactly 30 minutes later, resulting in late and/or short first meal periods, as Plaintiffs allege  
5 employees regularly clocked in a few minutes before their scheduled start time to begin working,  
6 and had to cut their meal periods short in order to be back at their work stations when the second  
7 bell rang signalling the end of the meal period. Plaintiffs estimated there was a total of 62,980  
8 shifts during the Class Period entitling employees to a first meal period. Based on Class Members'  
9 average hourly rate of pay of approximately \$19.68 per, Plaintiffs calculated TSI's maximum  
10 exposure on this claim at approximately \$1,239,446 (62,980 non-compliant first meal periods \*  
11 \$19.68 average meal period premium). However, TSI argues that no pre-shift work was actually  
12 being performed and that the first meal period bell rang within five hours of the scheduled start  
13 of employees' shifts. TSI contends that it provided compliant meal periods to Class Members  
14 throughout the Class Period. TSI also asserts that under *Brinker* it is only required to "provide"  
15 the opportunity to take meal periods, not "ensure" meal periods are taken, and that, as described  
16 above, it has always done so, and any non-complaint first meal periods in the timekeeping records  
17 were the result of lawful employee waiver or choice. TSI also maintains that Plaintiffs' meal  
18 period claim is not suited for class certification, since individual inquiries would be needed to  
19 assess which employees took non-compliant meal periods or missed meal periods, how many  
20 meal periods were non-compliant or missed, and the reasons why a particular employee did not  
21 take a compliant meal period on a particular shift. In light of these defenses and arguments,  
22 Plaintiffs discounted TSI's maximum exposure by 75% for the risk of non-certification and the  
23 ability to proceed on a class-wide basis due to the arbitration agreements, and an additional 60%  
24 to account for TSI's defenses on the merits or failing to recover the full amount sought, to arrive  
25 at an estimated total of approximately \$123,945

26 17. Plaintiffs allege that TSI failed to authorize and permit rest periods of at least 10  
27 minutes of "net rest" for Class Members due to work demands imposed by TSI. Based on  
28 Plaintiffs' extrapolation of employee timekeeping records, there were approximately 62,980

1 shifts in excess of 3.5 hours, entitling employees to at least one rest period. Thus, Plaintiffs  
2 calculated the maximum potential exposure for this claim at approximately \$1,239,446 (62,980  
3 rest period violations \* \$19.68 average premium). However, TSI argues that it always maintained  
4 lawful written rest period policies during the Class Period, and that any failure to take rest periods  
5 was the result of employee waiver or choice. TSI further argues that Plaintiffs' rest period claim  
6 is not amenable to class treatment as individualized inquiries would be required to determine  
7 which employees failed to take rest periods, and the reasons why each employee failed to take a  
8 rest period on a particular shift. These considerations are particularly present with respect to rest  
9 periods, TSI argues, as rest periods are not – and need not be – recorded. In light of these defenses,  
10 Plaintiffs discounted the maximum amount that the class could potentially recover by 80% for  
11 risk of non-certification and the ability to proceed on a class-wide basis due to the arbitration  
12 agreements, and discounted an additional 65% for risk of being unsuccessful on the merits or  
13 failure to recover the full amount sought, to arrive at a projected exposure of approximately  
14 \$86,761.

15 18. Plaintiffs allege that as a result of the unpaid wages, as well as the unpaid meal  
16 and rest period premium wages described above, TSI is liable for wage statement penalties. Those  
17 penalties are calculated as \$50 for each “initial” violation and \$100 for each “subsequent”  
18 violation, with a maximum of \$4,000 per employee. Plaintiffs' analysis reflected that there were  
19 approximately 225 unique employees and approximately 12,596 pay periods worked during the  
20 liability period applicable to Plaintiffs' wage statement claim. Plaintiffs, therefore, assumed the  
21 maximum \$4,000.00 penalty for each employee and calculated TSI's potential wage statement  
22 exposure at approximately \$900,000 (225 employees \* \$4,000 maximum penalty]). However, in  
23 light of TSI's arguments that no violations occurred, that employees suffered no “injury,” that  
24 any alleged violations were not “knowing and intentional,” that the wage statements always  
25 accurately reflected hours worked and amounts paid to employees, as well as risks associated  
26 with Plaintiffs' underlying claims discussed above, Plaintiffs discounted the maximum exposure  
27 by 80% for risk of non-certification and the ability to proceed on a class-wide basis due to the  
28 arbitration agreements, and by an additional 75% for risk of being unsuccessful on the merits, for

1 an estimated realistic exposure of approximately \$45,000.

2 19. Plaintiffs allege that as a further result of its failure to pay all wages earned, as  
3 well as its failure to pay all meal and rest period premiums, TSI is liable for waiting time penalties  
4 pursuant to Labor Code §§ 201-203. TSI's records reflected approximately 23 former Class  
5 Members who are eligible for waiting time penalties. Based on an hourly rate of \$19.68, Plaintiffs  
6 estimated the average waiting time penalty per former employee to be approximately \$4,723  
7 (\$19.68 \* 8 hours per day \* 30 days). Therefore, Plaintiffs calculated TSI's maximum exposure  
8 for potential waiting time penalties to be approximately \$108,629 (23 former employees \* \$4,723  
9 average penalty). TSI presented several defenses to this claim, most notably their assertion that  
10 because they possessed good-faith defenses to the underlying claims, any failure to pay wages  
11 was not "willful" as a matter of law. TSI further asserts that Plaintiffs' waiting time penalty  
12 exposure was grossly inflated as not every former employee experienced the alleged Labor Code  
13 violations. Moreover, because the waiting time claim is derivative of Plaintiffs' underlying wage  
14 claims, Plaintiffs would need to overcome TSI's defenses, both as to class certification and on the  
15 merits, as to his underlying claims. To account for TSI's defenses, Plaintiffs discounted the  
16 maximum exposure by 75% for the risk of non-certification and the ability to proceed on a class-  
17 wide basis due to the arbitration agreements, and an additional 75% for the risk of losing on the  
18 merits and/or not receiving the maximum penalties sought, to arrive at an estimated exposure of  
19 approximately \$6,789.

20 20. As a result of the foregoing Labor Code violations, Plaintiffs allege that TSI is  
21 liable for civil penalties under the PAGA. Plaintiffs estimated a maximum total PAGA exposure  
22 of approximately \$1,259,600 (12,596 pay periods \* \$100 "initial" penalty). Since Plaintiffs'  
23 PAGA claim is derivative of Plaintiffs' underlying wage claims, TSI asserts the PAGA claim  
24 would fail with those claims. TSI further maintains that, given its good-faith defenses, this Court  
25 would exercise its discretion to substantially reduce any PAGA penalties if it were to find TSI  
26 liable for any of Plaintiffs' claims. Therefore, Plaintiffs discounted the maximum figure by 85%  
27 for the risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay  
28 period, and an additional 85% to account for the possibility of this Court reducing penalties, to

1 arrive at an estimated exposure of approximately \$28,341.

2 21. Using these estimated figures for each of the claims described above, Plaintiffs  
3 predicted that the potential recovery for the Settlement Class would be approximately \$306,328.  
4 The proposed Settlement of \$251,920.00 therefore represents approximately 82.2% of the  
5 reasonably forecasted recovery for the Settlement Class.

6 22. Although Plaintiffs steadfastly maintain that their claims are meritorious, they also  
7 acknowledge that there were substantial risks and uncertainty in proceeding with litigation. As  
8 described above, TSI presented multiple defenses to Plaintiffs' claims, both on the merits and  
9 with respect to class certification. Thus, while Plaintiffs were prepared to litigate these claims  
10 through class certification, and ultimately trial, success was far from certain.

11 23. Although the Parties engaged in significant informal discovery prior to mediation,  
12 the Parties still had significant formal discovery to complete had the matter not settled. This would  
13 have required expenditure of substantial time and resources by both Parties that would have very  
14 likely spanned several years. Even if Plaintiffs were to certify the classes, the Parties would incur  
15 considerably more attorneys' fees and costs through a possible decertification motion, trial, and  
16 possible appeal. This Settlement avoids those risks and the accompanying expense.

17 24. My office will also apply for an attorneys' fees award of one-third of the Gross  
18 Fund Value, which is currently estimated to be \$83,973.33, and up to \$20,000.00 in verified costs  
19 reimbursement. Plaintiffs submit the requested fee is fair compensation for undertaking complex,  
20 risky, expensive, and time-consuming litigation on a purely contingent fee basis. My office has  
21 incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiffs'  
22 claims, conducting legal research, conducting extensive informal discovery, analyzing Class  
23 Members' timekeeping and payroll records and other data and documents, creating a  
24 comprehensive damages model, preparing for and attending mediation, negotiating and preparing  
25 the long-form Settlement Agreement, preparing this Motion, and otherwise litigating the case.  
26 My office expects to expend additional attorney time in attending the hearing on this Motion,  
27 overseeing the Notice process and fielding questions from Class Members, preparing the final  
28 approval papers, and attending the Final Approval hearing.

25. As will be fully briefed at the time of final approval, Plaintiffs' requested Enhancement Payments are intended to recognize the time and effort Plaintiffs expended on behalf of the Settlement Class, including providing substantial factual information and documents to Class Counsel, discussing the claims and theories at issue in the litigation, actively participating in the prosecution of their claims, gathering a reviewing documents for use in the lawsuit, preparing for mediation and reviewing the Settlement Agreement, as well as the significant risks Plaintiffs undertook by agreeing to serve as named plaintiffs in this case, and the fact that Plaintiffs agreed to a general release of all claims subject to a waiver of Civil Code § 1542.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on December 9, 2024, at El Segundo, California.

  
Sean M. Blakely

# **EXHIBIT A**

## STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiffs Paula Solorio and Amalia Palacio-Moreno (hereinafter “Plaintiffs”), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendant Thermal Structures, Inc. (hereinafter “Defendant”), on the other hand. Plaintiffs and Defendant are referred to herein collectively as the “Parties.” This Settlement Agreement shall be binding on Plaintiffs, the Settlement Class, the State of California as to the employment of PAGA Members (as defined herein), and Defendant, subject to the terms and conditions hereof and the approval of the Court.

Plaintiffs and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, Alexandra R. McIntosh, and Aden M. Khachadorian of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Christine Baran and Kendall Cole of Fisher & Phillips LLP.

On February 2, 2023, Plaintiffs filed a wage and hour class action complaint in Riverside County Superior Court in the matter entitled *Paula Solorio and Amalia Palacio-Moreno as individuals and on behalf of all others similarly situated, Plaintiffs, v. Thermal Structures, Inc., a California corporation; and DOES 1 through 100, Defendants*, Riverside Superior Court Case No. CVRI2300532 (the “Action”).

On October 9, 2023, Plaintiffs provided written notice to the Labor and Workforce Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail pursuant to California Labor Code Section 2699.3 of the specific provisions of the California Labor Code alleged to have been violated by Defendant, LWDA-CM-986616-23 (“PAGA Notice”).

On October 25, 2024, Plaintiffs filed an amended complaint in the Action, adding a cause for Violation of the California Private Attorneys General Act of 2004 (PAGA) pursuant to California Labor Code § 2698 *et seq.* (the “FAC”), which alleges civil penalties against Defendant under the PAGA.

Defendant denies all materials allegations set forth in the Action, the FAC and PAGA Notice and has asserted numerous affirmative defenses. Specifically, Defendant contends that Class Members are subject to enforceable individual written arbitration agreements with Defendant that contain valid class action waivers. Defendant is neither currently, nor in the future, waiving or releasing its rights to enforce those individual arbitration agreements and/or class waivers. Nor will Defendant be estopped from asserting its rights to enforce those individual arbitration agreements and/or class waivers in future litigation or in claims by or against Class Members and/or PAGA Members, and nothing in this Settlement is intended to constitute a waiver, release, or estoppel to assert those contractual rights, which shall remain in full force and legal effect. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, the FAC, PAGA Notice, Released Class Claims (as defined herein), and Released PAGA Claims (as defined herein).

Class Counsel diligently investigated the class and PAGA claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of corporate policies and

practices. The Parties have engaged in sufficient informal discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

On October 24, 2023, the Parties attended a private mediation with Marc J. Feder, Esq., a respected mediator of complex wage and hour actions and reached a class-wide settlement which resolves the Action, the FAC, and claims made in the PAGA Notice, subject to court approval. The Parties' settlement discussions were conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation as well as defenses available to Defendant including existing arbitration agreements. Based on Class Counsel's investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle both individually and on behalf of the Settlement Class. The Parties believe that the Settlement is fair, reasonable and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors. Accordingly, Plaintiffs and Defendant agree as follows:

## **DEFINITIONS**

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. **"Class or Class Member(s)."** For the purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the conditional certification of the following Settlement Class:

All current and former non-exempt and/or hourly-paid employees who worked for Defendant Thermal Structures, Inc. in the State of California at any time from August 5, 2022, through December 9, 2023. This period of time will also apply to the settlement with all PAGA Members herein defined and will hereinafter be referred to as the "PAGA/Class Period".

2. **"Class Action Settlement"** means the settlement and resolution of all Released Class Claims.

3. **"Class List"** means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) dates worked for Defendant during the PAGA/Class Period; and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks of the Class and PAGA Members.

4. **“Class Notice”** means the Notice of Class Action Settlement, substantially in the form attached hereto as **“Exhibit A.”**

5. **“Effective Date”** means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been mailed to the Class Members, providing them with an opportunity to object to the terms of the Class Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has been filed, five business days after any appeal, writ, or other appellate proceedings opposing the Court’s Final Approval Order and Judgment has finally and conclusively been dismissed with no right to pursue further remedies or relief.

6. **“Enhancement Payments”** mean the amounts to be paid to each Plaintiff, in recognition of their respective efforts and work in prosecuting the Action on behalf of Class Members and PAGA Members in exchange for a general release of claims.

7. **“Final Approval”** means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

8. **“Final Approval Hearing”** means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

9. **“Final Approval Order and Judgment”** means the order granting final approval of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

10. **“Gross Fund Value”** means the amount of Two-Hundred Fifty-One Thousand Nine Hundred Twenty Dollars and Zero Cents (\$251,920.00) to be paid by Defendant in full satisfaction of the Action, the FAC, the PAGA Notice, the Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount (the “NSA”) to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the Gross Fund Value. The Gross Fund Value is non-reversionary; no portion of the Gross Fund Value will return to Defendant.

11. **“Individual PAGA Payment”** means the *pro rata* share that a PAGA Member may be eligible to receive under the PAGA portion of the Settlement.

12. **“Individual Settlement Payment”** means the net payment of each Participating Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wage portion of the Individual Settlement Share.

13. **“Individual Settlement Share”** means the *pro rata* share of the Net Settlement Amount that a Settlement Class Member may be eligible to receive under the Class Settlement.

14. **“Net Settlement Amount”** means the portion of the Gross Fund Value that is available for distribution to Settlement Class Members, which is the Gross Fund Value less the Court-approved Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, and Settlement Administration Costs.

15. **“PAGA Members”** means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA/Class Period.

16. **“PAGA Settlement”** means the settlement and resolution of all Released PAGA Claims.

17. **“Preliminary Approval”** means the date on which the Court enters the Preliminary Approval Order.

18. **“Preliminary Approval Order”** means the order granting preliminary approval of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

19. **“Released Class Claims”** means upon full funding of the Gross Fund Value, Plaintiffs and Settlement Class Members shall release and forever discharge Released Parties of all claims, rights, demands, damages, liabilities and causes of action, in law and equity, arising any time during the PAGA/Class period for the claims alleged by Plaintiffs in the Action and FAC or that could have been reasonably alleged in the Action and FAC based on the facts stated therein against Defendant and shall specifically include claims for Defendant’s alleged failure to pay overtime wages; failure to pay minimum wages; any claims for additional wages owed due to “off the clock” work, rounding and/or any other theory; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; wage statement violations failure to keep and maintain accurate payroll records; unfair competition under Bus. & Prof. Code section 17200 et seq. (in connection with the allegations brought in the Action); violation of Labor Code sections 201, 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226(a), 226(c), 226(e), 226.3, 226.7, 510, 512, 516, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197 1197.1, 1198, 1198.5, and/or violations of California Wage Order 1 and Wage Order 1 sections 3, 4, 7, 11 and 12 and/or claims for attorneys’ fees under Code of Civil

Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289 and/or claims for associated statutory penalties.

20. **“Released PAGA Claims”** means that upon full funding of the Gross Fund Value, Plaintiffs and PAGA Members who were employed with Defendant during the PAGA/Class Period shall release and forever discharge Released Parties for civil penalties under the PAGA as alleged or that could have reasonably been alleged in the Action and PAGA Notice based on the facts stated therein against Defendant. This release also includes a release from the State of California (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA/Class Period) of all PAGA claims alleged or that could have been alleged in the Action and PAGA Notice based on the facts stated therein against Defendant

21. **“Released Parties”** means Defendant and its past, present and future parent company, predecessors, directors, officers, employees and agents.

22. **“Settlement Administrator”** means Phoenix Settlement Administrators, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

23. **“Settlement Administration Costs”** means the costs payable from the Gross Fund Value to the Settlement Administrator for administering the Settlement.

24. **“Settlement Class” or “Settlement Class Member(s)”** means all Class Members who do not submit a timely and valid Request for Exclusion.

25. **“Workweeks”** means the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA/Class Period, which will be calculated by the Settlement Administrator. Workweeks will be calculated by the Settlement Administrator based on each Class Member’s start date or the beginning of the PAGA/Class Period, whichever is later, and separation date or the last day of the PAGA/Class Period, whichever is earlier, based on the Class List provided by Defendant.

### **CLASS CERTIFICATION**

26. The Parties stipulate to conditional class certification of the Settlement Class for the Class Period for purposes of settlement only. The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved by the Court, fails to become Effective, or is reversed, withdrawn or modified by the Court, in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in this matter or in any judicial, administrative or arbitral proceeding for any

purpose or with respect to any issue, substantive or procedural, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

### **TERMS OF THE AGREEMENT**

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

27. **Attorneys' Fees and Costs.** Defendant agrees not to oppose or impede any application or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the GFV, which is estimated to be \$83,973.33 and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Actions, in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00), both of which will be paid from the GFV. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members. The Court's ruling on the request for Attorneys' Fees and Costs shall not affect the enforceability of this Agreement or the terms contained herein.

28. **Enhancement Payments.** Defendant agrees not to oppose or impede any application or motion by Plaintiffs for Enhancement Payments in the amount up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for each respective Plaintiff in recognition of their contributions to the Action and their service to the Settlement Class. The Enhancement Payments, which will be paid from the GFV, subject to Court approval, will be in addition to any other payments Plaintiffs may be eligible to receive under the Settlement (e.g., their Individual Settlement Payment and/or Individual PAGA Payment). Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue IRS Forms 1099 to Plaintiffs for the Enhancement Payments. Any portion of the requested Enhancement Payments that is not awarded by the Court to Plaintiffs shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members. The Court's ruling on the request for the Enhancement Payments shall not affect the enforceability of this Agreement or the terms contained herein.

29. **PAGA Amount.** Subject to approval by the Court, the Parties agree that the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) shall be allocated from the GFV toward penalties under the PAGA (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$15,000.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$5000.00, will be distributed to PAGA Members (i.e., the PAGA Member Amount) on a *pro rata* basis, based on the total number of PAGA Workweeks worked by each PAGA Member during the PAGA Period (i.e., the Individual PAGA Payments). PAGA Members will be issued Individual PAGA Payments whether or not they object to or opt-out of the Class Settlement.

30. **Settlement Administration Costs.** The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently not to exceed Twelve Thousand Dollars and Zero Cents (\$12,000.00). These costs, which will be paid from the GFV, subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

31. **Escalation Clause.** Defendant represents that as of the mediation date (October 24, 2023) there are no more than approximately 12,596 workweeks worked during the PAGA/Class Period. In the event the number of workweeks worked through the PAGA/Class Period increases by more than 10%, or more than 13,856 workweeks worked, then Defendant shall, at its option, either (a) increase the GFV proportionally by the workweeks in excess of the 10%; or (b) cap the PAGA/Class Release Period as of the date the number of workweeks reaches but does exceed 10%. Under option (a) an increase by more than 10% shall mean that should the number of workweeks increase by more than 10% through the PAGA/Class Period, this will increase the GFV proportionally over the 10% increase. For example, if the number of workweeks increase by 11% through the PAGA/Class Period, and Defendant elects option (a) set forth above, then the GFV shall increase by 1%.

32. Class Members are not required to submit a claim form to receive a payment ("Settlement Payment") from the Settlement. After the Effective Date of this Settlement and upon full funding of the Gross Fund Value, Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the GFV the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiffs' Class Representative Enhancement Payments, the amount set aside as PAGA civil penalties, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount or NSA."
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member's Individual Settlement Share and Payment and each PAGA Member's Individual PAGA Payment based on the following formula:
  - i. **Individual Settlement Share and Individual Settlement Payment to Settlement Class Members:** The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member's proportionate Workweeks worked during the PAGA/Class Period. Specifically, each participating Settlement Class Member's payment from the

Net Settlement Amount will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class Member's number of Workweeks worked during the PAGA/Class Period, and the denominator of which is the total Workweeks worked by all participating Settlement Class Members during the PAGA/Class Period

- ii. Individual PAGA Payment: In addition to the NSA, each Class Member who was employed by Defendant at any time within the PAGA/Class Period (including those Class Members who submit a valid and timely Request for Exclusion from the Class Action Settlement) shall receive a portion of the Five Thousand Dollars and Zero Cents (\$5,000.00) designated as the "PAGA Amount" taken from the GFV as described above and shall be paid based on the proportionate number of Workweeks that he or she worked during the PAGA/Class Period.
- C. Within five (5) business days of the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendant. Within seven (7) days following the Settlement Administrator providing Defendant with the amounts to be paid, Defendant will deposit the GFV and employer's share of payroll taxes into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, that was established by the Settlement Administrator. Within ten (10) calendar days following Defendant's deposit of the GFV with the Settlement Administrator, the Settlement Administrator will calculate Settlement Payment amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Payments, less applicable taxes and withholdings, to participating Class Members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- D. For purposes of calculating applicable taxes and withholdings, each Settlement Payment shall be allocated as follows: any Individual PAGA Payment made from the PAGA Amount shall be treated as 100% penalties. Any Individual Settlement Payment made from the NSA shall be allocated as follows: Twenty percent (20%) as wages; and Eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Class and PAGA Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Unclaimed Individual Settlement Payments and/or Individual PAGA Payments. Individual Settlement Payment and/or Individual PAGA Payment checks shall

remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Thereafter, checks for such payments shall be canceled and funds associated with such checks shall be sent to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property. .

- F. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.
- G. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and each Plaintiff, Settlement Class Member or PAGA Member who receives a Settlement Payment are not relying on any statement or representation by the Parties in this regard. The Plaintiffs, Class Members and PAGA Members who are receiving a Settlement Payment understand and agree that they will be responsible for the payment of any taxes and penalties assessed on their Settlement Payment and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of their Settlement Payment. Plaintiffs, Settlement Class Members, and PAGA Members should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

33. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Sean M. Blakely, and Aden M. Khachadorian of Haines Law Group, APC as Class Counsel;
- C. Appointing Paula Solorio and Amalia Palacio-Moreno as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as the Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Request for Exclusion Form, and Objection Form), attached hereto as Exhibits A, B, and C, respectively, and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

34. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2), Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary approval of the Settlement.

35. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of workweeks worked by each Class Member while employed during the PAGA/Class Period (the “Class Data”). Such information will only be disclosed to the Settlement Administrator and not to Class Counsel. All information provided to the Settlement Administrator will be marked CONFIDENTIAL. The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator. It shall be kept confidential and shall not be disclosed, either in writing or orally, by the Settlement Administrator. The Settlement Administrator shall use due care with respect to the storage, custody, use, and/or dissemination of the confidential information. Such information must be stored in a secure fashion and all persons who access the data must agree to keep it confidential.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Class Members; (ii) update the address of any Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Payment for each Class Member; and (iv) mail via First-Class U.S. Mail, a Notice Packet to each Class Member in both English and Spanish at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Class Member who wishes to opt out of the Class Settlement must complete and mail or deliver a Request for Exclusion Form to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
  - i. The Notice Packet shall state that a Class Member who wishes to exclude themselves from the Class Settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion must: (1) contain the case name and number of the Action; (2) contain the name, address, and telephone number of the Class Member; (3) contain a statement that the Class Member wishes to be excluded from the Settlement; (4) be signed by the Class Member; and (5) be postmarked by the Response Deadline and mailed or delivered to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(4), it will not be deemed valid for exclusion from the Settlement, except that a Request for

Exclusion not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the Class Settlement will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. However, Class Members who were employed by Defendant at any time during the Class/PAGA Period and submit a valid and timely Request for Exclusion from the class action settlement shall still be entitled to their portion of the PAGA Amount described above and will be bound by the Released PAGA Claims. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement.

- D. Objections. Class Members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any objection should: (1) contain the case name and number of the Action; (2) contain the objecting Class Member's full name and current address, as well as contact information for any attorney representing the objecting Class Member for purposes of the objection; (3) include all objections and the factual and legal bases for same; (4) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (5) be postmarked no later than the Response Deadline. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. If the Court overrules the objection and approves the Class Settlement, the Settlement Class Member will be bound by the terms of the Class Settlement in the same way and to the same extent as a Settlement Class Member who does not object.
- E. Notice of Settlement Payment / Workweek Disputes. Each Notice Packet mailed to a Class Member shall disclose the amount of the Class Member's estimated Settlement Payment as well as all of the information that was used from Defendant's records in

order to calculate the Settlement Payment. Class Members will have the opportunity to dispute the number of workweeks to which they were credited as stated in the Notice Packet (Workweek Dispute) by submitting to the Settlement Administrator the following: (a) case name and number of the Action; (b) Class Member's full name, signature, address, telephone number, and the last four (4) digits of the Class Member's Social Security number; (c) a clear statement that the Class Member disputes the number of Workweeks credited to the Class Member and what the Class Member contends is the correct number including any supporting documentation; and (d) returning by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. If there is a Workweek Dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and determinative of the dispute. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Payments under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Payment shall be binding upon the Class Member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Class Member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) calendar days of the mailing, the Class Member received the Notice Packet. Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, an Objection, or a dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's counsel to provide notice of the proposed settlement.
- G. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have

submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Workweeks Dispute.

**36. Defendant's Option to Revoke Settlement.**

- A. Defendant shall retain the right, in the exercise of its sole discretion, to unilaterally withdraw from and terminate the Resolution no later than five (5) court days prior to the date of the Final Approval Hearing if class members representing more than an aggregate total of 10% of the verified workweeks opt out of the Settlement. In such an event, Defendant shall be solely responsible for settlement administration costs from the third-party administrator to date. In the event of Defendant's withdrawal, no party may use the fact that the Parties agreed to the Resolution for any reason.
- B. In the event: (i) the Court does not ultimately enter the Preliminary Approval Order without requiring material changes to the basic Settlement terms (basic Settlement terms include the amount of the Gross Fund Value; the time period of the Released Class Claims; the covered PAGA/Class Period; revisions to the Escalator Clause; and revisions to Defendant's Option to Revoke Settlement as set forth herein (ii) the Court does not ultimately finally approve the Settlement as provided herein without requiring material changes to the basic Settlement terms (basic Settlement terms include the amount of the Gross Fund Value; the time period of the Released Class Claims; the covered Class Period; revisions to the Escalator Clause contained herein; and revisions to the Defendant's Option to Revoke Settlement as set forth herein); (iii) Defendant exercises its option to rescind the Settlement Agreement based on an excessive number of opt-outs, as described in the section above; or (iv) the Settlement does not become final for any other reason (*e.g.*, an objection by the LWDA), this Settlement Agreement shall be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Recitals and Terms of the Agreement contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties shall be returned to their respective statuses prior to the reaching of this Settlement, settlement funds placed in trust with the Settlement Administrator shall be returned to Defendant, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by evenly by the Parties. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancements, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

**37. Final Approval.** Following preliminary approval and the Effective Date of this Settlement Agreement as set forth above, Plaintiffs shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payments, LWDA payment, and settlement administration costs; and
- C. Entering judgment in the Action pursuant to California Rule of Court 3.769. Said judgment shall be posted on the Settlement Administrator's website.

38. **Class Settlement Release.** Upon the Effective Date of this Agreement and Defendant's deposit of the GFV, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

39. **PAGA Settlement Release.** Upon the Effective Date of this Agreement and Defendant's deposit of the GFV, Plaintiffs, the State of California with respect to all PAGA Members and all PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

40. **Plaintiffs' General Release.** Upon the Effective Date of this Agreement and Defendant's deposit of the GFV, in addition to the Released Class Claims and Released PAGA Claims, Plaintiffs, for themselves and their respective spouses, heirs and assigns, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all charges, complaints, claims, debts, liabilities, promises, agreements, controversies, actions, suites, rights, demands, obligations, guarantees, costs, losses, penalties, expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, or that might have been asserted, whether in tort, contract, equity, or otherwise which Plaintiffs, at any time of execution of this Settlement Agreement, had or claimed to have or may have, including but not limited to any and all claims arising out of, relating to, or resulting from their employment, payment of wages during that employment and/or separation of employment with the Released Parties, including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation or Executive Order relating to employment, including, but in no way limited to, any claim under Title VII of the Civil Rights Act of 1964, as amended ("Title VII"), 42 U.S.C. § 1981; the Americans with Disabilities Act ("ADA"); the Family and Medical Leave Act ("FMLA"); the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act ("ERISA"); the California Family Rights Act ("CFRA"); the California Fair Employment and Housing Act ("FEHA"); all claims for wages or penalties under the Fair Labor Standards Act ("FLSA"); all claims for wages or penalties under the California Labor Code; Business and Professions Code sections 17200 *et seq.*; all laws relating to violation of public policy, retaliation, or interference with legal rights; any and all other employment or discrimination laws; whistleblower claims; any tort, fraud, or constitutional claims; and any breach of contract claims or claims of promissory estoppel. It is agreed that this is a general release and is to be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released hereunder by law, including any claims for workers' compensation benefits. Plaintiffs understand and expressly agree that this Settlement Agreement extends to claims that they have against Defendant, of whatever

nature and kind, known or unknown, suspected or unsuspected, vested or contingent, past, present, or future, arising from or attributable to an incident or event, occurring in whole or in part, on or before the execution of this Settlement Agreement. Any and all rights granted under any state or federal law or regulation limiting the effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

**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.**

41. **Waiver of Right to Appeal.** Provided that the Final Judgment is consistent with the terms and conditions of this Settlement Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

42. **Effect of PAGA Settlement.** As of the Effective Settlement Date, this settlement forever bars Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA/Class Period, from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in Plaintiff’s letter to the LWDA and the operative Complaint.

43. **Non-Admission of Liability; No Waiver of Arbitration Agreements.** The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Defendant contends that Class and PAGA Members are subject to enforceable individual written arbitration agreements with Defendant that contain valid class action waivers. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Nor shall anything in this Settlement Agreement be construed or deemed an admission that the

Action was properly brought as a class action pursuant to California Code of Civil Procedure section 382 and under California Business and Professions Code section 17200 and/or that the Action/FAC was properly brought as Private Attorney General Actions under PAGA. Nor shall anything in this Settlement Agreement or in the Preliminary Approval Order or Final Approval Order be deemed a waiver of Defendant's right to enforce applicable arbitration agreements. Defendant is neither currently, nor in the future, waiving or releasing its rights to enforce those individual arbitration agreements and class waivers. Nor will Defendant be estopped from asserting its rights to enforce those individual arbitration agreements and class waivers in future litigation or in claims by or against Class and PAGA Members, and that nothing in this Settlement is intended to constitute a waiver, release, or estoppel to assert those contractual rights, which shall remain in full force and legal effect.

44. **Non-disclosure and Non-publication.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Class Members, as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein, or unless otherwise ordered by the Court. Class Counsel shall not report this Settlement in any medium or in any publication, shall not post or report anything regarding Plaintiffs' claims on Class Counsel's website, and shall not contact any reporters or media regarding the Settlement. Class Counsel is authorized to make a limited disclosure for the purpose of obtaining approval of the Settlement. For the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

45. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

46. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Christine Baran, Fisher & Phillips LLP, 2050 Main Street, Suite 1000,  
Irvine, California 92614; cbaran@fisherphillips.com

if to Plaintiffs: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite  
180, El Segundo, California 90245; phaines@haineslawgroup.com.

47. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Nothing in this agreement shall supersede or waive Defendant's rights to enforce any applicable arbitration agreement executed by a Settlement Class Member or PAGA Member as set forth in Paragraph 43 above.

48. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

49. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

50. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over the Action and over all Parties, Class and PAGA Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: 11-21-24

Thermal Structures, Inc.

By: \_\_\_\_\_

~~Vaughn V. Barnes~~

*Clarence Hightower*

DATED: 11/07/24

Paula Solorio

By: \_\_\_\_\_

Paula Solorio (Nov 7, 2024 21:09 PST)

Plaintiff and Settlement Class Representative

DATED: \_\_\_\_\_

Amalia Palacio-Moreno

By: \_\_\_\_\_

Plaintiff and Settlement Class Representative

**APPROVED AS TO FORM:**

DATED: November 14, 2024

FISHER & PHILLIPS LLP

By: \_\_\_\_\_

*Christine Baran*  
Christine Baran

Attorneys for Defendant

DATED: \_\_\_\_\_

HAINES LAW GROUP, APC

BY: \_\_\_\_\_

Paul K. Haines

Sean M. Blakely

Attorneys for Plaintiffs

48. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

49. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

50. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over the Action and over all Parties, Class and PAGA Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: 11-21-24

Thermal Structures, Inc.

By:

  
~~Vaughn V. Barnes~~ *Clarence Hightower*

DATED: \_\_\_\_\_

— Paula Solorio

By:

\_\_\_\_\_  
Plaintiff and Settlement Class Representative

DATED: 11/07/24

Amalia Palacio-Moreno

By:

*Amalia Palacio De Moreno*  
Amalia Palacio De Moreno (Nov 7, 2024 12:24 PST)  
Plaintiff and Settlement Class Representative

**APPROVED AS TO FORM:**

DATED: November 14, 2024

FISHER & PHILLIPS LLP

By:

  
~~Christine Baran~~  
Attorneys for Defendant

DATED: \_\_\_\_\_

HAINES LAW GROUP, APC

BY:

\_\_\_\_\_  
Paul K. Haines  
Sean M. Blakely  
Attorneys for Plaintiffs

48. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

49. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

50. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over the Action and over all Parties, Class and PAGA Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: \_\_\_\_\_

Thermal Structures, Inc.

By: \_\_\_\_\_  
Vaughn V. Barnes

DATED: \_\_\_\_\_

Paula Solorio

By: \_\_\_\_\_  
Plaintiff and Settlement Class Representative

DATED: \_\_\_\_\_

Amalia Palacio-Moreno

By: \_\_\_\_\_  
Plaintiff and Settlement Class Representative

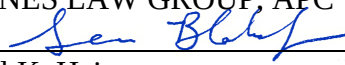
**APPROVED AS TO FORM:**

DATED: November 14, 2024

FISHER & PHILLIPS LLP

By:  \_\_\_\_\_  
Christine Bakan  
Attorneys for Defendant

DATED: November 13, 2024

HAINES LAW GROUP, APC  
BY:  \_\_\_\_\_  
Paul K. Haines  
Sean M. Blakely  
Attorneys for Plaintiffs

# **EXHIBIT 1**

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**  
***Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.***  
**Riverside County Superior Court**  
**Case No.: CVRI2300532**

To: All current and former non-exempt and/or hourly-paid employees who worked for Defendant Thermal Structures, Inc. in the State of California at any time from August 5, 2022, through December 9, 2023.

**PLEASE READ CAREFULLY**  
**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**  
**THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH**

***Why should you read this Notice?***

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in the matter of *Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.*, Riverside County Superior Court Case No. CVRI2300532 (the “Action”). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Defendant Thermal Structures, Inc.’s (hereinafter “Defendant”) records show that you were employed by Defendant as a non-exempt and/or hourly-paid employee in the State of California at any time from August 5, 2022, through December 9, 2023 (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

***What is this case about?***

Plaintiffs Paula Solorio and Amalia Palacio-Moreno (“Plaintiffs”) brought this Action against Defendant, seeking to assert claims on behalf of a class of all current and former non-exempt and/or hourly-paid employees who worked for Defendant in California at any time during the Class Period. Plaintiffs are known as the “Class Representatives,” and their attorneys, who also represent the interests of all Class Members, are known as “Class Counsel.”

In the Action, Plaintiffs allege that Defendant: (1) failed to pay all minimum wages; (2) failed to pay all overtime wages; (3) failed to provide all meal periods or compensation in lieu thereof; (4) failed to authorize and permit all rest periods or compensation in lieu thereof; (5) failed to furnish accurate, compliant, and itemized wage statements; (6) failed to timely pay all wages due or final wages due and consequent penalties; (7) failed to pay all wages earned at least twice during each calendar month; (7) engaged in unfair, unlawful business practices; and (8) are liable for civil penalties under the Private Attorneys’ General Act (“PAGA”).

A PAGA action is a form of representative action that allows employee plaintiffs to act on behalf of the government as agents of the state’s labor law enforcement agencies. By acting as a private attorney general, an “aggrieved employee” who has been affected by at least one Labor Code violation committed by their employer can use a PAGA action as a means to collect civil penalties for those violations. 75% of any collected penalties go to the state’s Labor and Workforce Development Agency (“LWDA”), and the remaining 25% of penalties are distributed evenly among all aggrieved employees.

Defendant denies that it has done anything wrong in any way, and further denies that the Action is appropriate for class treatment for any purpose other than the Settlement. Defendant also denies that it owes Class Members any wages, restitution, penalties, damages, or other amounts. Nothing in this Class Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement mean that Defendant admits any fault, guilt, negligence, wrongdoing or liability whatsoever. In addition, Defendant contends that Class Members are subject to enforceable individual

written arbitration agreements with Defendant that contain valid class action waivers. The Court has made no findings regarding the merits of the Action. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs' claims. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate and reasonable. Any final determination of whether the proposed Settlement is fair, adequate, and reasonable will be made at the Final Approval Hearing. However, to avoid additional expense, inconvenience, and interference with its business operations, Defendant has concluded that it is in its best interests to settle the Action on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's length negotiations between the parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

**If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policy strictly prohibit unlawful retaliation.** Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of their decision to either participate or not participate in the Settlement.

#### ***Who are the Attorneys?***

|                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attorneys for Plaintiffs/Settlement Class:<br><br><b>HAINES LAW GROUP, APC</b><br>Paul K. Haines<br>phaines@haineslawgroup.com<br>Sean M. Blakely<br>sblakely@haineslawgroup.com<br>2155 Campus Drive, Suite 180<br>El Segundo, California 90245<br>Tel: (424) 292-2350<br>Fax: (424) 292-2355<br>haineslawgroup.com | Attorneys for Defendant:<br><br><b>FISHER &amp; PHILLIPS LLP</b><br>Christine Baran<br>cbaran@fisherphillips.com<br>2050 Main Street, Suite 1000<br>Irvine, California 92614<br>Telephone: (949) 851-2424<br>Facsimile: (949) 851-0152 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### ***What are the terms of the Settlement?***

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt and/or hourly-paid employees who worked for Defendant in the State of California at any time from August 5, 2022, through December 9, 2023. Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant as described below.

Defendant has agreed to pay \$251,920.00 (the "Gross Fund Value") to fully resolve all claims in the Action, including payments to Class Members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, PAGA payments to the LWDA and Class Members, and the Class Representative Enhancement Payments.

The following deductions from the Gross Fund Value will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which

will be paid from the Gross Fund Value. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Fund Value, which is currently estimated at \$83,973.33, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$20,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$8,500.00 from the Gross Fund Value to pay the settlement administration costs.

Class Representative Enhancement Payments. Class Counsel will ask the Court to award the Class Representatives enhancement payments in the amount of \$7,500.00 each, for a total of \$15,000.00, to compensate them for their service and extra work provided on behalf of Class Members.

PAGA Payment to State of California. The parties have agreed to allocate \$20,000.00 towards the Settlement of the PAGA claims in the Action. \$15,000.00 will be paid to the LWDA, representing its 75% share of the civil penalties. The remaining \$5,000.00 will be allocated to Class Members as the "PAGA Amount" as described below.

Calculation of Individual Class Members' Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Fund Value will form the Net Settlement Amount ("NSA"), which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion form (described below). The Net Settlement Amount is estimated at approximately \$104,446.67.

First, the Net Settlement Amount will be allocated to all participating Class Members in proportion to the number of workweeks that they worked during the Class Period. Additionally, \$5,000.00 of the Gross Fund Value has been allocated toward the "PAGA Amount." Each Class Member who was employed by Defendant at any time from August 5, 2022, through December 9, 2023 (the "PAGA Period"), including those Class Members who exclude themselves from the class action settlement, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that they worked during that PAGA Period.

Payments to Class Members. If the Court grants final approval of the Settlement, individual Settlement Payments will be mailed to all Class Members who did not submit a valid and timely Request for Exclusion from the Settlement.

Allocation and Taxes. For tax purposes, each Settlement Payment shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the Net Settlement Amount shall be allocated as twenty percent (20%) as wages, and eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing participating Class Members IRS Forms W-2 for the amounts allocated as "wages" and IRS Form 1099 for the amounts allocated as penalties and interest. Any payment made from the PAGA Amount shall be treated as 100% penalties and reported on an IRS Form 1099. Class Members are responsible for the proper income tax treatment of the individual settlement payments. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, Plaintiffs and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendant and its past, present and future parent company, predecessors, directors, officers, employees and agents (collectively the "Released Parties") of all claims, rights, demands, damages, liabilities and causes of action, in law and equity, arising any time during the PAGA/Class period for the claims alleged by Plaintiffs in the Action and FAC or that could have been reasonably alleged in the Action and FAC based on the facts stated therein against Defendant and shall specifically include claims for Defendant's alleged failure to pay overtime wages; failure to pay minimum wages; any claims for additional wages owed due to "off the clock" work, rounding and/or any other theory; failure to provide meal periods or compensation in lieu thereof; failure to provide rest periods or compensation in lieu thereof; failure to timely pay all wages due; failure to pay all wages earned at least twice during each calendar month; waiting time penalties; wage statement violations failure to keep and maintain accurate payroll records; unfair competition under Bus. & Prof. Code section 17200 *et seq.* (in connection with the

allegations brought in the Action); violation of Labor Code sections 201, 202, 203, 204, 210, 216, 218.5, 218.6, 226, 226(a), 226(c), 226(e), 226.3, 226.7, 510, 512, 516, 558, 558.1, 1174, 1182.12, 1194, 1194.2, 1197 1197.1, 1198, 1198.5, and/or violations of California Wage Order 1 and Wage Order 1 sections 3, 4, 7, 11 and 12 and/or claims for attorneys' fees under Code of Civil Procedure section 1021.5 and/or claims for interest under Civil Code Sections 3287(b) and 3289 and/or claims for associated statutory penalties (collectively, the "Released Claims"). The period of the Release shall extend to the limits of the Class Period.

Plaintiffs and PAGA Members who were employed with Defendant during the PAGA/Class Period shall release and forever discharge Released Parties for civil penalties under the PAGA as alleged or that could have reasonably been alleged in the Action and PAGA Notice based on the facts stated therein against Defendant. This release also includes a release from the State of California (to the extent Plaintiffs are permitted to provide such a release for the State of California for the PAGA/Class Period) of all PAGA claims alleged or that could have been alleged in the Action and PAGA Notice based on the facts stated therein against Defendant.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

#### ***How can I claim money from the Settlement?***

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked for Defendant during the Class Period, as well as paid based on the proportionate number of workweeks that you worked during the PAGA Period. You also will be bound by the Settlement, including the release of claims stated above.

#### ***What other options do I have?***

Dispute Information in Notice of Settlement Payment. Your award is based on the proportionate number of workweeks you worked for Defendant during the Class Period, as well as the proportionate number of workweeks that you worked during the PAGA Period. The information contained in Defendant's records regarding each of these factors, along with your estimated Settlement Payment, is listed below. If you disagree with the information listed below, you may submit a dispute, along with any supporting documentation, to <<INSERT ADMINISTRATOR CONTACT INFO>>. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will determine whether any adjustments are warranted, and if so, will consult with the Parties and make any adjustments approved by the Parties.

According to Defendant's records:

- (a) you worked for Defendant in the State of California from [REDACTED] to [REDACTED];
- (b) you worked [REDACTED] workweeks between August 5, 2022, through December 9, 2023 for Defendant;

Based on the above, your Settlement Payment is estimated at \$[REDACTED]. The average Settlement Payment is estimated at \$XX. The lowest Settlement Payment to a Class Member is estimated at \$XX. The highest Settlement Payment to a Class Member is estimated at \$XX.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the class action settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, and shall be barred from participating in any portion of the Class Action

Settlement. However, you may not opt out of the PAGA Settlement, and you will still be entitled to a portion of the PAGA Amount as described above. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it (with the exception of the PAGA Settlement, which you may not object to), you may mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. An Objection Form is included with this Notice.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.*, Riverside County Superior Court Case No. CVRI2300532.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

#### ***What is the next step?***

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, settlement administration costs, and the Class Representative Enhancement Payments. The Final Approval Hearing may be postponed without further notice to Class Members. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

#### ***How can I get additional information?***

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, during regular court hours. You may also view the case file online at [www.riverside.courts.ca.gov](http://www.riverside.courts.ca.gov) by going to the "Search Court Records" tab, selecting "Civil, Small Claims and Unlawful Detainer Case Information," and entering the case number information. This case is assigned to Department 1 of the Riverside Historic Courthouse, located at 4050 Main Street, Riverside, California 92501. The Settlement Agreement is attached as Exhibit A to the Declaration of Sean M. Blakely In Support of Plaintiffs' Motion For Preliminary Approval of Class Action Settlement, filed on December 9, 2024. You may also contact Class Counsel using the contact information listed above for more information.

**PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS**

#### ***REMINDER AS TO TIME LIMITS***

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

# **EXHIBIT 2**

## **REQUEST FOR EXCLUSION FORM**

***Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.***  
**RIVERSIDE COUNTY SUPERIOR COURT**  
**Case No.: CVRI2300532**

**IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE, SIGN AND MAIL OR DELIVER THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:**

|                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>[INSERT SETTLEMENT ADMINISTRATOR]</b><br/><b><i>Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.</i></b><br/><b>SETTLEMENT ADMINISTRATOR</b><br/><b>ADDRESS</b><br/><b>ADDRESS</b><br/><b>PHONE</b><br/><b>FAX</b></p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**DO NOT SUBMIT THIS FORM IF YOU WISH TO BE PART OF THE CLASS ACTION SETTLEMENT.**

By signing, filling out, and returning this form, I confirm that I ***do not*** want to be included in the Settlement of the lawsuit entitled *Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.*, Riverside County Superior Court Case No. CVRI2300532.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *PAULA SOLORIO AND AMALIA PALACIO-MORENO V. THERMAL STRUCTURES, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 (“PAGA”) AS DESCRIBED IN THE ACCOMPANYING NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT.

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Name Telephone Number

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Address

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Date Signature

# **EXHIBIT 3**

## **OBJECTION FORM**

***Paula Solorio and Amalia Palacio-Moreno v. Thermal Structures, Inc.***  
**RIVERSIDE COUNTY SUPERIOR COURT**  
**Case No.: CVRI2300532**

All objections must be mailed or delivered directly to the Settlement Administrator, [INSERT SETTLEMENT ADMINISTRATOR], at <<INSERT ADMINISTRATOR CONTACT INFO>> on or before <<RESPONSE DEADLINE>>. All objections must be postmarked or delivered on or before <<RESPONSE DEADLINE>>.

### **Objecting Class Member Information:**

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Name

Telephone Number

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Address

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Date

Signature

**Describe the nature and basis of each objection and please attach additional pages if necessary:**

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# **EXHIBIT B**

**HAINES LAW GROUP**  
**EMPLOYMENT ATTORNEYS**

October 9, 2023

**VIA LWDA WEBSITE**

Labor and Workforce Development Agency  
Attn. PAGA Administrator  
1515 Clay Street, Ste. 801  
Oakland, CA 94612

Re: *Paula Solorio, et al., v. Thermal Structures, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Paula Solorio (“Ms. Solorio”) and Amalia Palacio-Moreno (“Ms. Palacio-Moreno”) in claims arising from their employment with Thermal Structures, Inc.; and Does 1 through 100 (collectively “Thermal Structures”). Ms. Solorio and Ms. Palacio-Moreno are “aggrieved employees” as defined by Labor Code Section 2698 *et seq.*, due to Thermal Structures’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of Thermal Structures’ non-exempt employees who worked for Thermal Structures in California during the one year immediately preceding the date of this letter through the present.

Thermal Structures is in the business of manufacturing and designing insulation and composite products for a variety of industries, such as aerospace, marine, power generation, and mass transit. Ms. Paula Solorio has been employed by Thermal Structures in the non-exempt position of “Repair Technician” since approximately 2011. Ms. Amalia Palacio-Moreno was employed by Thermal Structures in the non-exempt position of “Parts Preparation” or “Repair Technician” from approximately 2004 until approximately March 25, 2021.

During Ms. Solorio’s and Ms. Palacio-Moreno’s employment with Thermal Structures, upon information and belief, during at least a portion of relevant time period, Thermal Structures utilized a timekeeping system which resulted in Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees not being compensated for all hours actually worked, whether by rounding, time-shaving, or otherwise. Upon information and belief, Thermal Structures’ timekeeping system regularly, systematically, and impermissibly rounded the hours worked by Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees in Thermal Structures’ favor, resulting, over a period of time, in the failure to compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees

for all hours worked. As a result, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not compensated for all required minimum and overtime wages.

During Ms. Solorio's, Ms. Palacio-Moreno's, and other aggrieved employees' employment with Thermal Structures, Thermal Structures required Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees to undergo temperature checks off-the-clock. Specifically, during at least a portion of the relevant time period, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were required to undergo temperature checks before clocking in to start their respective shifts. Despite requiring Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees to undergo these temperature checks, Thermal Structures did not compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees for this time that they were subject to the control of the employer. As a result of Thermal Structures' failure to compensate for time spent undergoing temperature checks, Thermal Structures failed to compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees all wages owed, including all minimum and overtime wages.

Thermal Structures' meal period policies/practices failed to provide Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with all legally compliant meal periods because they failed to provide Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with a timely, duty-free, and uninterrupted 30-minute meal period commencing before the end of the fifth hour of work. Specifically, Ms. Solorio's, Ms. Palacio-Moreno's, and other aggrieved employees' meal periods were frequently "late" because their meal periods were scheduled to commence exactly at the 5-hour mark of their scheduled shifts, but Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees would often begin working prior to the scheduled start of their shift, which caused them to take late meal periods. For example, Ms. Solorio's and Ms. Palacio-Moreno's shifts were generally scheduled to begin at 5:00 a.m., with meal periods scheduled for 10:00 a.m., but Ms. Solorio and Ms. Palacio-Moreno frequently began working before 5:00 a.m., and/or were unable to take their meal periods until after 10:00 a.m. Moreover, for at least a portion of the relevant class period, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not required to clock out for their meal periods, and upon information and belief, Thermal Structures automatically deducted 30-minutes of work time for alleged meal periods, regardless of whether a timely, compliant 30-minute meal period was in fact provided. On those occasions when Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not provided with all legally required meal periods to which they were entitled, Thermal Structures did not compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Thermal Structures maintained no payroll code or other mechanism for the payment of meal period premiums under Labor Code § 226.7 in the event a legally compliant meal period was not provided to their non-exempt employees.

Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not

authorized and permitted to take all legally compliant rest periods due to Thermal Structures' rest period policies/practices, which fail to authorize and permit an off-duty rest period for every four hours worked, or major fraction thereof. Specifically, due to work demands imposed by Thermal Structures, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were occasionally prevented from being relieved of all work duties during required rest periods. On the occasions when Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not provided with all legally compliant rest periods to which they were entitled, Thermal Structures failed to compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, Thermal Structures maintained no payroll code or other mechanism for the payment of rest period premiums as required by Labor Code § 226.7 in the event a legally compliant rest period was not provided to their non-exempt employees.

As a result of Thermal Structures' failure to compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees for all minimum wages, overtime wages, and all meal and rest period premium wages earned, Thermal Structures maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements. Additionally, the wage statements that Thermal Structures issued to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were facially unlawful pursuant to Labor Code § 226(a)(8), as they fail to display the correct name and address of the legal entity that is the employer.

As a further result of Thermal Structures' failure to pay all minimum and overtime wages and failure to pay all required meal and rest period premium wages, Thermal Structures failed to pay all wages to Ms. Solorio and Ms. Palacio-Moreno and other formerly employed non-exempt employees at the separation of their employment.

As described above, Thermal Structures committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"):

#### Minimum Wage Violations

Thermal Structures was required to pay Ms. Solorio, Ms. Palacio-Moreno and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1182.12, 1194, 1194.2, 1197; Wage Order 1, § 4. As alleged above, Thermal Structures failed to conform its pay practices to the requirements of the law by failing to pay Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Thermal Structures and/or suffered or permitted to work under the California Labor Code and Wage Order 1. As a result of these policies/practices, which fail to compensate for all hours worked, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were deprived of all required minimum wages.

### Overtime Wage Violations

Thermal Structures was required to pay Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 1, § 3. According to Labor Code § 510(a), “Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.” This Section further provides, “Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” As alleged above, Thermal Structures caused Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees to work overtime hours, but did not compensate Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with one and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were not compensated for all overtime and double-time wages.

### Meal Period Violations

As alleged above, Thermal Structures failed to provide Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with all required and compliant meal periods, due to Thermal Structures’ meal period policies/practices. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”).

### Rest Period Violations

As alleged above, Thermal Structures also failed to authorize and permit Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

### Wage Statement Violations

Thermal Structures was required to furnish Ms. Solorio, Ms. Palacio-Moreno and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, total net wages earned, and the name of the legal entity that is the employer. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 1, § 7. As a result of Thermal Structures' failure to pay all overtime, minimum, and double-time wages, and failure to pay all required meal and rest period premium wages, Thermal Structures maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees in violation of Labor Code § 226. Additionally, the wage statements that Thermal Structures issued to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees were facially unlawful pursuant to Labor Code § 226(a)(8), as they fail to display the correct name and address of the legal entity that is the employer. Thermal Structures' failure to comply with its wage statement obligations was knowing and intentional, and Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees have suffered injury as a result.

### Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Thermal Structures failed to timely pay Ms. Solorio, Ms. Palacio-Moreno and other aggrieved employees all of their final wages at the time of separation, which included all overtime, double-time, and minimum wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Thermal Structures' failure to pay all final wages due to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees was willful and, consequently, entitles Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Thermal Structures failed to pay their final wages after their separation, up to a maximum of thirty days.

As "aggrieved employees," Ms. Solorio and Ms. Palacio-Moreno will initiate a civil action on behalf of themselves and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Ms. Solorio's and Ms. Palacio-Moreno's own investigation, and on information and belief, Thermal Structures committed and continues to commit the following Labor Code violations:

- a. Thermal Structures violated Labor Code §§ 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees the statutory minimum wage for all hours worked;
- b. Thermal Structures violated Labor Code §§ 204, 510, 1194, and 1198 by failing to pay Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees all overtime compensation earned;

- c. Thermal Structures violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Thermal Structures violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Ms. Solorio, Ms. Palacio-Moreno and other aggrieved employees all required rest periods and failing to pay rest period premiums to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Thermal Structures violated Labor Code § 226 by failing to furnish Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees with accurate and compliant itemized wage statements;
- f. Thermal Structures violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees;
- g. Thermal Structures violated Labor Code § 204 by failing to pay Ms. Solorio, Ms. Palacio-Moreno and other aggrieved employees all wages earned at least twice during each calendar month; and
- h. Thermal Structures violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Ms. Solorio, Ms. Palacio-Moreno, and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and Thermal Structures if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,  
HAINES LAW GROUP, APC



Paul K. Haines

cc: Thermal Structures, Inc., c/o Fisher & Phillips LLP (via certified mail)

## PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 10/11/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8333 0606 74

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 10/10/2023

ORIGINAL INTENDED RECIPIENT:

THERMAL STRUCTURES INC

C/O: FISHER & PHILLIPS LLP

2050 MAIN ST STE 1000

IRVINE CA 92614-8240

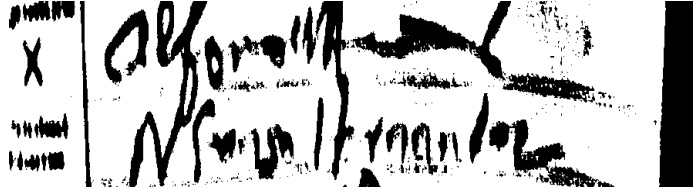
Mailer: Haines Law Group

Date Produced: 10/13/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8333 0606 74. Our records indicate that this item was delivered on 10/12/2023 at 06:33 a.m. in IRVINE, CA 92623. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature in black ink on a white background. The signature appears to be "Alfonso" followed by a surname that is partially obscured. To the left of the signature, there is a vertical line and some faint, illegible markings. To the right, there is a solid black rectangular redaction mark.

Address of Recipient :

A scanned image of a handwritten address in black ink on a white background. The address is "2050 Main St". To the left of the address, there is a vertical line and some faint, illegible markings. To the right, there is a solid black rectangular redaction mark.

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,  
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

THERMAL STRUCTURES INC  
C/O: FISHER & PHILLIPS LLP  
STE 1000  
2050 MAIN ST  
IRVINE CA 92614-8240

Customer Reference Number: C4520336.27014237