Brian J. Mankin, Esq. [CSB No. 216228]
*brian@lmlfirm.com*
Peter J. Carlson, Esq. [CSB No. 295611]
*peter@lmlfirm.com*
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

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| FELIPE RAYGOZA, individually, on a representative basis, and on behalf of all others similarly situated;<br><br>Plaintiff,<br><br>vs.<br><br>TECTA AMERICA SOUTHERN CALIFORNIA INC., a California Corporation; and DOES 1 through 20, inclusive;<br><br>Defendants. | Case No.: CVRI2501103<br>*[Assigned to Hon. Harold Hopp, Dept 1, for all purposes]*<br><br>**DECLARATION OF BRIAN J. MANKIN, ESQ., IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**<br><br>Hearing<br>Date: November 6, 2026<br>Time: 8:30 a.m.<br>Dept.: 1<br><br>Complaint filed: March 4, 2025 |

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment department within my firm where I am also a Partner. I represent Plaintiff in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

## COUNSEL'S EXPERIENCE

2. I have been a member, in good standing, of the State Bar of California since 2001. I am admitted to practice in the United States District Courts for the Central and Southern District of California and the Ninth Circuit Court of Appeal and have tried cases in various courts in California.

3. I have handled well over 500 employee vs. employer litigation matters during my nearly 25 years in practice. Over the last 19 years, my practice has almost entirely consisted of representing employees, the majority of which has included class action and representative action wage and hour matters. In total, I have handled well over 300 class action and representative action wage/hour cases, and have been appointed by the court as class counsel and have received final court approval and judgment in close to half of those actions to date, and anticipate receiving final approval in many more of those in the future.

4. As part of these settlements and judgments, I have recovered well in excess of $300 million in damages for my clients and the class members (who often work as nurses, ambulance drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and countless other trades). At one point, my team and I held the record for the largest known PAGA-only case in California's history - a $12.5 million-dollar court approved settlement, which followed extensive litigation, summary adjudication and writs to the CA Supreme Court against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior Court).

5. I have tried two class and PAGA cases against Fortune 100 companies. In 2018, I was lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior Court and received a $425,000 judgment. In 2019, I was co-counsel in a class action case against Walmart that was tried to the jury in District Court for the Central District, wherein the jury awarded Plaintiffs over $6 million. Following the successful outcome in trial, both cases were appealed.

6. I was named by the LA Times as one "Southern California Leading Lawyers" in the May 2023 issue of Consumer Attorney's of Southern California (a recognition given to 17

employment/labor law attorneys in 2023). Additionally, over the last five consecutive years, I have been selected by my peers as a "Super Lawyer" in Employment Litigation, a distinction that only 5% of lawyers receive.

**BRIEF SUMMARY OF THE SETTLEMENT**

7. Following mediation and a mediator's proposal, Plaintiff and Defendant (collectively, the "Parties") entered into a Class Action and PAGA Settlement Agreement and Release of Claims resolving the wage and hour claims of the putative class (the "Settlement Agreement" or "S.A."). A fully signed version is attached hereto as **Exhibit A**.

8. The Settlement Agreement seeks to release and discharge Defendant from the claims brought against it in exchange for Defendant's agreement to pay $675,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or take any action, except for those who opt-out).

9. Plaintiff seeks to represent a class of all current and former nonexempt employees employed by Defendant Tecta America Southern California, Inc. in California at any time during the Class Period of March 4, 2021, through June 22, 2026.

10. Under the terms of the Settlement Agreement, Defendant will not oppose Plaintiff's Counsel's application for a reasonable award of attorneys' fees not to exceed one-third of the Settlement Amount, litigation expenses not to exceed $30,000, Settlement Administrator Costs of $6,500, PAGA penalties of $50,000 (with 65% to the LWDA and 35% to the Aggrieved Employees on a pro rata basis), and a Service Payment of $10,000 to Plaintiff. After subtracting these deductions from the Settlement Amount, approximately $353,500.00 will be available to pay individual settlement amounts to approximately 200 Class Members who do not opt-out of the settlement, as follows:

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| ***Settlement Amount*** | **$ 675,000.00** |
| Attorneys' Fees (1/3) | $ 225,000.00 |
| Litigation Costs (not to exceed) | $ 30,000.00 |
| Administrator Costs | $ 6,500.00 |
| PAGA Penalties | $ 50,000.00 |
| Class Representative Service Award | $ 10,000.00 |
| ***Net Settlement Amount*** | **$ 353,500.00** |

11. Assuming 200 total Class Members, the average payment will be approximately $1,767,50 ($353,500.00 / 200). However, the actual payments will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. And each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Work Weeks he/she is credited with working during the applicable periods. True and correct copies of the Class Notice, Request for Exclusion Form, Objection Form, and Dispute Form are attached hereto as **Exhibits B, C, D**, **and E** respectively.

## PROCEDURAL BACKGROUND

12. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and exchanged information informally with Defense counsel which enabled the parties to successfully settle the case. Because of the risks involved in litigating the case and the contested legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

13. After being retained by Plaintiff, we submitted letters to Defendant requesting the production of personnel and timekeeping records to further evaluate her wage and hour claims, along with demands to preserve evidence.

14. On March 4, 2025, Plaintiff filed a class action complaint in this Court, alleging that Defendant violated various sections of the Labor Code, including (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely pay final wages, and (7) unfair and unlawful competition.

15. Defendant retained counsel and immediately began to defend the case. Plaintiff immediately commenced discovery under the Court's CMO by demanding the names and contact information of the putative class members pursuant to a *Belaire-West* Notice. Then, after early discussions among counsel, the Parties agreed to attend private mediation.

16. In preparation for the mediation, the Parties informally exchanged documents and information that allowed both sides to calculate the potential damages and evaluate potential risk, including policies and procedures pertaining to each claim alleged, and statistics relating to the number of current and former employees, number of shifts, pay periods worked and other things. Defendant also provided its written policies and practices and a robust sampling of payroll and timekeeping records for Class Members. This information enabled both parties to take a deep dive into the claims. Additionally, during this process, Plaintiff and his counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of damages, trial, and appellate issues and risks.

17. On April 23, 2026, the Parties participated in a full-day mediation with Steve Serratore, Esq., a well-respected wage-and-hour mediator. Ultimately, the mediator issued a mediator's proposal that was accepted by the Parties. In accordance with the mediator's proposal, Plaintiff filed a first amended complaint on September 11, 2026, incorporating all claims that were alleged and negotiated at mediation, including wage statement claims and PAGA claims. The Parties now seek the Court's preliminary approval of the Settlement. The Parties now seek the Court's preliminary approval of the Settlement.

**SUMMARY OF THE CLAIMS AND DEFENSES**

18. Plaintiff alleged numerous wage and hour violations on behalf of the Class. However, Defendant vigorously contested and denied each of Plaintiff's material allegations on the merits and as to the propriety of a class action or PAGA representative action. Still, Plaintiff believed there were several strong claims.

19. For instance, Plaintiff alleged three distinct unpaid wage claims: (1) that Defendant paid the Class on an hourly basis plus additional earned compensation but failed to include this compensation in the regular rate calculations, leading to a failure to pay all required

overtime, sick and vacation pay, and meal premiums, (2) that Defendant often paid the Class Members at two or more base rates of pay in the same workweek, yet failed to pay overtime at the "weighted average" of those rates, and (3) that Defendant failed to pay for all hours worked. However, Defendant vehemently opposed these claims on the merits (arguing that these events did not occur) and as to the propriety of class certification.

20. Plaintiff also alleged that he and the Class Members were often denied compliant meal and rest breaks due to the nature of the work. However, Defendant argued that it provided and made all mandated meal and rest breaks available to the Class, and any employee who did not take a break did so entirely of their own volition. Thus, Defendant argued that these claims were without merit because, for each violation, a fact-finder would have to determine why a break was noncompliant, because if it was by the employee's choice, no liability attaches to Defendant.

21. Finally, Plaintiff alleged a variety of other claims (all of which Defendant disputed), such as the failure to reimburse business expenses, failure to timely pay wages upon separation of employment and failure to provide accurate itemized wage statements.

22. Despite the disputed nature of the claims, the Parties concluded that further litigation of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled to limit further risk, expense, and protracted litigation.

**CMO COMPLIANCE**

23. In accordance with CMO ¶ G, this section will specifically identify and address each CMO requirement. This information was compiled with the assistance of Peter Carlson, who was responsible for preparing the pre-mediation data and calculations, and primarily assisted in the preparation of the *Kullar* analysis. As such, the following is based largely on information and belief, as it was largely prepared with Mr. Carlson's assistance (but I reviewed all of the information).

CMO ¶ G(3)(a)(i)

24. Based on information obtained through informal discovery and Plaintiff's expert's analysis *before mediation*, we estimated that there was approximately 150 individuals that fall

within the Class definition and 91 of those individuals are also PAGA "Aggrieved Employees."

CMO ¶ G(3)(a)(ii), CMO ¶ G(3)(a)(iii), CMO ¶ G(9)(b)

25. The following paragraphs provide the maximum and risk-adjusted value for each claim, and this includes all claims on a class and PAGA basis as required by the CMO.

26. The calculations below are based upon data points obtained through informal discovery, from which Plaintiff's counsel and expert estimated the following *through mediation*: (1) 150 Class Members, (2) 90 *former* Class Members for Labor Code § 203, (3) 16,000 workweeks, (4) 73,600 shifts worked, and (4) approximately 6,686 wage statements during the PAGA Period.

***Unpaid Wage Claims***

27. Plaintiff's unpaid wage claims were based on the three theories of liability above, namely: (1) that Defendant paid the Class on an hourly basis plus additional earned compensation but failed to include this compensation in the regular rate calculations, leading to a failure to pay all required overtime, sick and vacation pay, and meal premiums, (2) that Defendant often paid the Class Members at two or more base rates of pay in the same workweek, yet failed to pay overtime at the "weighted average" of those rates, and (3) that Defendant failed to pay for all hours worked. Thus, Plaintiff alleged that these violations led to a failure to pay all wages owed, including minimum wages, overtime wages, and sick pay (which is a PAGA-only claim under Labor Code § 246).

28. However, Defendant raised several defenses to this claim, including that these amounts were properly excluded from the regular rate, as they did not qualify as "nondiscretionary" and, thus, did not need to be included within the regular rate and overtime calculations. Additionally, Defendant argued that, even if the claims had merit (which it did not concede), the valuation was small, as only a small percentage of Class Members received additional compensation and overtime in the same workweek. Furthermore, on the off-the-clock claims, Defendant argued that the claims would fail at certification due to individualized issues and manageability, and further argued that the claims fail on the merits because Defendant had a policy and practice of accurately recording employee work times.

29. CMO ¶ G(3)(a)(ii): Based on the pre-mediation sampling and an analysis of relevant data, we calculated the maximum potential damages for the unpaid wage claims as $1,850,000.

30. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of these unpaid wage claims as $665,000. Due to the strength of these claims, and the objective nature of the alleged violations, we only applied a 40% reduction at class certification and a 40% reduction on the merits.

31. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, we estimated the maximum potential PAGA penalty as $267,440. We then applied a merits risk, similar to the above, and further recognized that there were certain factors that reduce the possible value at trial. Specifically, when considering the amount of discretionary reduction to apply against the maximum penalties, we believe the Court would consider that: (a) if this claim succeeded, the Class would already be receiving compensation for the same violations [and would thus apply a smaller penalty because otherwise it is a double penalty], and (b) there were several "good faith" defenses. As a result, we calculated a PAGA risk-adjusted value of $40,000 for these unpaid wage claims.

***Meal and Rest Break Claims***

32. Plaintiff also alleged meal and rest break claims against Defendant, and this section provides CMO-compliant information as to the value and basis for such claims.

33. CMO ¶ G(3)(a)(ii): we calculated the maximum potential damages as follows. For the meal period claims, we calculated 12,512 violations (based on an observed 17% violation rate) and multiplied that by an average hourly rate of $30.60 (the applicable premium rate under Labor Code § 226.7) to arrive at maximum potential damages of $382,867. For the rest break claims, utilizing a 20% violation rate and multiplied by the average hourly rate, we arrived at maximum potential damages of $450,432.

34. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the meal period claims as $114,860 and for the rest break claim as $135,130. These risk-adjusted figures are based on the numerous defenses and risks attached to such claims. For instance, Defendant

raised numerous arguments in response to this claim, including that it maintained fully compliant written policies and specifically authorized the Class Members to take meal and rest breaks, meaning that no one had a reason or cause to miss a break or take a short/late break. Therefore, Defendant asserted that a fact-finder would have to determine for each Class Member whether a break was missed and why, and why a break was noncompliant or nonexistent, because if it was by the employee's choice, no liability attaches to Defendant. These defenses are factored into Plaintiff's analysis in two ways. These issues raise questions regarding whether the meal and rest break claims could be certified, and these defenses also go toward the merits given the evidentiary question of proving the number of meal and rest violations, leading to the risk-adjusted values discussed above.

35. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as $167,150 for meal periods and $200,580 for rest breaks. But these claims faced the same merits and evidentiary risks discussed above, so we applied a risk on the merits for each claim and also assumed that the Court, when considering what discretionary reduction to apply, would give credit to Defendant's attempt to enact and apply a compliant written meal and rest period policy. And, as a result, we estimated risk-adjusted PAGA values of $50,015 for meal periods and $60,174 for rest breaks.

***Business Expense Claims***

36. Plaintiff alleged that he and the Class Members often had to use personal cell phones to perform their work for Defendant, without reimbursement.

37. CMO ¶ G(3)(a)(ii): Plaintiff valued this claim at an estimated $75,000 (based on $500 in unreimbursed expenses for each class member).

38. CMO ¶ G(3)(a)(iii): Defendant raised many strong defenses to this claim, primarily focused on the argument that the Class Members were not required to use their own tools or equipment or their personal cell phones. Defendant also argued against possible certification of this claim by arguing a lack of manageability since analysis of this claim would require highly individualized testimony from Class Members about whether they had to use their own tools and personal cell phones and why they did so (because if it was not "required" or

"necessary" then it does not lead to liability). Further, even if the claim was certified, Defendant would argue that there was an evidentiary issue in proving the amount of expenses that were not reimbursed. As a result, for this claim, Plaintiff calculated a risk-adjusted value of $27,000.

39. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as $334,300. However, we applied the same merits risk and, even though there is no requirement for "knowing and intentional" under PAGA, we assumed that the Court would apply a large discretionary reduction based on Defendant's likely argument (if liability was found) that they were already liable for damages to the Class and for PAGA penalties for the overarching expense violation. Thus, the total risk-adjusted PAGA penalties for these violations are $10,029.

***Wage Statement Claims***

40. Plaintiff alleged that Defendant subjected the Class to "derivative" violations that arise because of the failure to accurately state all wages owed (and other items) because of the unpaid wages and meal/rest violations above.

41. CMO ¶ G(3)(a)(ii): based on the formula under Labor Code § 226(e) ($50 for initial violation and $100 for subsequent violations and a cap of $4,000 per employee), we calculated the maximum class wage statement penalties as $664,100.

42. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the class wage statement claims as $139,461. This analysis incorporated Defendant's arguments and defenses from above, and also accounted for the fact that violations were "derivative" as opposed to "direct" wage statement violations (*i.e.*, because these claims were entirely derivative of the claims above, they only had merit if the claims for unpaid wages or meal/rest breaks were successful). Moreover, Defendant argued that "derivative" violations cannot trigger liability under § 226 and, even if there was a "technical" violation, Plaintiff would be unable to prove the required "knowing and intentional" and "injury" elements. Based on these facts and defenses, we applied the various risks and arrived at the risk-adjusted value above.

43. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as $334,300 for wage statement claims.

However, like above, the risk-adjusted value must consider the difference between the direct and derivative claims. Thus, we applied the same merits risk and, even though there is no requirement for "knowing and intentional" under PAGA, we assumed that the Court would apply a large discretionary reduction based on Defendant's likely argument (if liability was found) that it was already liable for damages to the Class and for PAGA penalties for the overarching violations that triggered the derivative wage statement violations. Thus, the total risk-adjusted PAGA penalties for wage statement violations are $20,058.

***Waiting Time Penalty Claims***

44. Plaintiff's claim for failure to timely pay final wages (and for waiting time penalties under Labor Code § 203) was entirely derivative of the claims above (*e.g.*, because Defendant failed to pay all wages and premiums owed, Defendant did not timely pay all final wages owed because there are still amounts due and payable).

45. CMO ¶ G(3)(a)(ii): we calculated the maximum potential value of this claim as $664,436 based on 90 *former* employees who were paid $238.68 per day (90 employees x $238.68 daily pay x 30-day penalty = $664,436).

46. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the waiting time penalty claim as $279,063. The valuation had to account for the fact that this claim was derivative of the unpaid wages and meal/rest break claims and, if those claims failed at certification or on the merits, there would be no waiting time penalties owed, so the same risks for those claims applied to this claim. Furthermore, even if the unpaid wage and/or meal/rest claims succeeded at certification and on the merits, Plaintiff would have to prove that the violations (if any existed) were "willful" under the meaning of Labor Code § 203. And, here, Defendant argued there was no "willful" violation since it had compliant written policies and any deviations therefrom were inadvertent and unintentional. Additionally, Defendant argued that it had a "good faith" defense that prevents imposition of the waiting time penalties. As a result of this analysis, Plaintiff's counsel applied the risks and calculated the risk-adjusted value above.

47. CMO ¶ G(9)(b): as for the PAGA penalty claims, Plaintiff calculated the maximum potential PAGA penalty at trial as $1,500 based on an estimated 30 Aggrieved

Employees that were terminated within the PAGA Period. But we had to incorporate the same risks as above and also assumed that, given Defendant's good faith attempts at compliance with California law, that the Court would also apply a discretionary reduction in PAGA penalties, setting the risk-adjusted PAGA penalty value at $750.

***Collective Maximum and Risk-Adjusted Class Damages/Penalties and PAGA Penalties CMO ¶¶ G(3)(a)(ii)(C), CMO G(3)(a)(iii)(C), and CMO ¶ G(9)(b)(iii and iv)***

48. The table below provides the total sums (for all claims) of the maximum and risk-adjusted class damages and penalties and the total maximum and risk-adjusted PAGA penalties.

| **Claim** | ***Class Values*** | | ***PAGA Values*** | |
|---|---|---|---|---|
| | Maximum | Risk-Adjusted | Maximum | Risk-Adjusted |
| Unpaid Wages | $1,850,000 | $665,000 | $267,440 | $40,000 |
| Meal Periods | $382,867 | $114,860 | $167,150 | $50,015 |
| Rest Breaks | $450,432 | $135,130 | $200,580 | $60,174 |
| Business Expenses | $75,000 | $27,000 | $334,300 | $10,029 |
| Wage Statement | $664,100 | $139,461 | $334,300 | $20,058 |
| Waiting Time Penalties | $664,436 | $279,063 | $1,500 | $750 |
| **Totals** | **$4,086,835** | **$1,360,514** | **$1,305,270** | **$181,026** |

CMO ¶ G(3)(a)(iv)

49. Based on an assumed Net Settlement Amount of $353,500.00, and an estimated 200 Class Members, the average payment will be $1,767,50. However, the actual amounts payable to the Class will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. While we cannot generate an exact "range of recoveries" right now since the Class Data will not be provided to the Settlement Administrator until after Preliminary Approval, I can provide reasonable estimates of the high and low payments as follows.

50. Based on our analysis, we estimate that there 200 Class Members participating in the Settlement, who will reach receive a share of the settlement based on weeks worked. Based on an estimated 17,000 workweeks during this period, we can assume an average per-workweek value of $16.02 ($353,500.00 / 17,000). Thus, on the low end, a Class Member that worked only

2 weeks during the Class Period will receive $32.04 ($16.02 x 2). And, at the high end, a Class Member that worked for the entire Class Period (268 calendar weeks) will receive an estimated high payment of $4,293.36 ($16.02 x 268).

51. Given that these are only preliminary estimates, the Settlement Administrator will fill in the average, high, and low payments in the Class Notice (if necessary) after Preliminary Approval and after calculating those figures from the Class Data.

CMO ¶ G(3)(a)(v)

52. From the data and analysis conducted prior to mediation, derived through informal discovery, we estimated the following recoveries by the Aggrieved Employees. First, given that we estimate 91 Aggrieved Employees, those individuals will receive an estimated average share of $192.30 ($17,500 / 91). Then, based on an estimated 6,686 Work Weeks during the PAGA Period, we estimate the value of each PAGA Work Week as $2.61 ($17,500 / 6,686). If an Aggrieved Employee worked only 2 weeks in the PAGA Period, the low payment would be $5.22 and, if an Aggrieved Employee worked the maximum weeks during the PAGA Period (112), then the maximum PAGA payment will be $292.32.

CMO ¶ G(3)(a)(vi)

53. My office conducted substantial informal discovery to investigate the size of the class and strength of the claims. Specifically, in preparation for mediation, we demanded and received informal discovery, including documents and information that allowed us calculate the potential damages and evaluate potential risk, including policies and procedures pertaining to the claims, statistics relating to the number of current and former employees, number of shifts, pay periods worked and other things, and a sampling of payroll and time records for Class Members.

CMO ¶ G(3)(a)(vii)

54. I am not aware of any other class, representative, or collective action in this or any other court that asserts claims similar to those asserted in this action or behalf of a class or group of individuals, some or all of whom would also be members of this Class. I have also made reasonable inquiry of other members of my firm and none of the other attorneys are aware of any such similar actions.

CMO ¶ G(3)(c)(i)

55. The Court, at CMO ¶ G(C)(i), states that it "believes that redistribution of the value of uncashed settlement check(s) to those class members who have cashed their checks will better serve the public interest and the interest of the class than distribution in the manner otherwise prescribed by [CCP § 384(b)]" (*i.e.*, payments to a *cy pres*).

56. Here, the Parties are not sending the value of uncashed checks to a *cy pres*. Instead, any uncashed checks will be sent to the California State Controller in the name of the Class Member (or Aggrieved Employee). Thus, those funds are – and always will be – paid to and available for collection by the Class Member (or Aggrieved Employee) at any point in the future. This does not fall under the umbrella of CCP § 384(b), as that section only relates to payment of residue to "nonprofit organizations or foundations to support projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent."

57. I do not believe there is a need for the Parties to "explain[] the factual basis for the disagreement" with the Court's proposed method of redistributing funds, because the Court's proposal is, by its plain language, only applicable in lieu of a *cy pres* (not where the uncashed funds are still paid to the Class Member, essentially held in trust by the State Controller).

58. However, in an abundance of caution and to prevent a delay, I want to explain why we do not want to redistribute uncashed checks to class members that did cash checks.

59. First, the process to carry out the Court's proposed redistribution is not as simple as it sounds. Under the CMO's proposed method, after 180 days have passed, the uncashed funds would be redistributed to Class Members that cashed their checks. That step, on a standalone basis, is not concerning. However, that is nowhere near the end of the process. Indeed, after the second checks are issued, there will be another batch of checks that go uncashed, as there always are in these class actions. What, then, happens to the funds from the uncashed second checks? Are those amounts redistributed again? And to whom? Should the third round of checks only go to those who cashed the first and second checks? Regardless of

the answer to these questions, the problem will continue because some of the third checks will likely go uncashed as well, meaning that this process can repeat over and over – each time with a 180-day check cashing period.

60. Second, the Court's proposal to redistribute uncashed checks to class members is also problematic because it will greatly increase the cost of settlement administration. After all, the administrator will have to keep banking and taxing accounts open for a much longer period, possibly for multiple years, and will have to issue multiple tax forms with each new payment. But how much extra will the Administrator charge to be exact? And how many additional checks will be mailed a second and third time? How will this be priced? And once the court has approved a specific amount of money for the Settlement Administrator, who will pay for the increased costs, and who will be responsible for ensuring that the increased costs are fair, reasonable and adequate - because after all, this entire process is occurring after the Court has entered judgment.

CMO ¶ G(3)(d)

61. In accordance with CMO ¶ G(3)(d), we requested bids from four different settlement administrators, which resulted in the following bids: CPT Group ($8,250), Xpand ($6,500), Phoenix ($6,500) and ILYM ($7,450). Phoenix was tied for the lowest bid and has performed well with approvals in Riverside Superior Court, so the Parties agreed to retain Phoenix based on its all-in (fixed) fee to administer the settlement for $6,500. The concurrently filed Declaration of Mike Moore of Phoenix Settlement Administrators covers the other information required in CMO ¶ G(3)(d)(ii).

CMO ¶ G(9)(b)

62. The paragraphs above provide the information requested in CMO ¶ G(9)(b)(i-iv); this section addresses the remaining requests under CMO ¶ G(9)(b)(v-viii).

63. CMO ¶ G(9)(b)(v): I'd first like to point out that a finding of "knowing and intentional" is not necessary under claims for PAGA penalties; that is a required element of wage statement violations (on a class, not PAGA, basis) under Labor Code § 226(e). However, with that said, we believe there is an argument that Defendant's unpaid wage claims would not be

found "knowing and intentional" (for purposes of Labor Code § 203, for instance). Additionally, we believed that Defendant had a good argument that the derivative wage statement violations were not "knowing and intentional."

64. CMO ¶ G(9)(b)(vi): If this action proceeded to trial, Defendant would have argued for a discretionary reduction in PAGA penalties because the assessment of significant PAGA penalties would be "unjust, arbitrary and oppressive, or confiscatory" in light of "the facts and circumstances of [this] case." *See* Labor Code § 2699(h). Defendant's reliance on several Labor Code exemptions presents a "mistake of law" fact pattern, and similar cases have applied large reductions in PAGA penalties in such situations. *See, e.g.*, *Cotter v. Lyft, Inc*. (N.D. Cal. 2016) 193 F.Supp.3d 1030, 1037 (97.5% reduction in PAGA penalties "appropriate" based on the "unjust, arbitrary and oppressive, or confiscatory" factors because (i) the employer did not "deliberately evad[e] a clear obligation to provide legally required pay and benefits to employees," (ii) the employer did not "negligently fail to learn about its obligations under the wage and hour laws," and (iii) the employer's obligations were "genuinely unclear" because "there is no straight answer to the question").

65. CMO ¶ G(9)(b)(vii): The parties only reached settlement and the agreed-upon PAGA penalties after extensive informal discovery and arms-length negotiation between the parties and through an experienced mediator. Notably, Defendant raised many defenses which, if accepted by the Court, could result in a significant reduction of penalties, or the elimination of penalties altogether through dispositive motions. As such, an assessment of penalties greater than those agreed-upon would be unjust at this stage because this settlement reflects an informed, fundamentally fair, and reasonable settlement of the PAGA claims herein based on the unique facts, defenses, and risks in this case.

66. CMO ¶ G(9)(b)(viii): the sections above show that the amount of the agreed-upon penalties is fair.

**THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

67. The settlement was the product of extensive arm's length negotiations, facilitated by an experienced mediator and the eventual resolution was reached through the mediator's

proposal. Though cordial and professional, the settlement negotiations were adversarial and non-collusive in nature. The settlement reached is the product of substantial effort by the parties and their counsel. Although we believed that there was a possibility of certifying the claims, we recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate.

68. The settlement will result in a fair payment to each class member based on the number of weeks worked. Plaintiff and my firm have diligently investigated the claims and defenses on behalf of the Class Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with further litigation described above and weighing them against the benefits of a known compromise and settlement as set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and reasonable resolution of the claims alleged.

69. My firm brought to bear a great deal of experience in negotiating the settlement of this case. We engaged in the necessary discovery and investigation, making it possible to exercise informed judgment throughout the settlement process, including significant document review (*e.g.*, documents pertaining to Defendant's policies and procedures, personnel documents, among others), and conducted an extensive analysis of the detailed class-wide data provided by Defendant.

70. Based on my experience in other cases, including wage and hour matters, I believe I am qualified to evaluate the class claims and viability of defenses in this class action. In this case, the recovery for each class member is reasonable, fair, and adequate, and this settlement is in the best interests of the class. The settlement provides each class member with compensation for the alleged violations when viewed in relation to the costs and risks inherent in obtaining class certification and proceeding to trial.

71. My firm, as well as defense counsel, fully endorse the terms and conditions of the settlement as set forth in the abovementioned Settlement Agreement.

72. Of course, the settlement amount represents a compromise figure, taking into account the various risks surrounding class certification and the merits of Defendant's asserted defense. Nevertheless, the settlement provides for fair and adequate payments to the class members, with no reversion to Defendant.

**PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

73. Plaintiff seeks an enhancement payment of $10,000 for his service to the Class. Plaintiff came forward and brought this case in an effort to effectuate a policy and practice change that benefitted all other Class Members (and to recover unpaid wages and other damages). He ultimately succeeded despite significant risk.

74. Plaintiff provided invaluable assistance to my office and the Class in this case, including providing factual background; reviewing the litigation documents; providing information and documents about Defendant's policies and practices; participating in phone calls to discuss litigation and settlement strategy; making himself available throughout the litigation to assist with analyzing the claims and defenses; helping Class Counsel prepare for the mediation; making himself available for a full-day mediation, and reviewing the settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit.

75. The Class Representative also assumed significant risk in bringing this litigation—namely, had he lost, he would have been ordered to pay Defendant's costs. And, as part of the negotiations, Plaintiff put the interests of the class ahead of his interests and agreed to a general release as part of the settlement (whereas the Class will only release the claims alleged).

**ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE REQUESTED FEES AND COSTS**

76. As set forth above, I have handled over 300 class and representative actions, have been appointed as class counsel and have successfully resolved over half of those cases, and many others remain pending and will successfully resolve in the future.

77. When this case was taken on a contingency fee basis, with my firm agreeing to assume responsibility for all litigation costs, the ultimate result was far from certain. In the

course of this litigation, my firm paid all costs including filing fees, court costs, research fees, and mediation costs. There was never a guarantee that we would recoup those expenditures.

78. It is my experience that attorney fee awards of one-third of a common fund settlement is the standard in California. In this case, my firm agreed to seek one-third of the Settlement Amount for attorneys' fees. Defendant does not oppose this fee request. The fee is further warranted because it is within the range of reasonableness typically awarded in class actions. The litigation costs are reasonably capped at $30,000 and will be based on the actual amount of costs incurred at the time of final approval.

**SETTLEMENT ADMINISTRATOR**

79. The Parties request that the Court appoint Phoenix Settlement Administrators as the Settlement Administrator. In accordance with CMO ¶ G(3)(d), we requested bids from six different settlement administrators, which resulted in the following bids: CPT Group ($8,250), Xpand ($6,500), Phoenix ($6,500) and ILYM ($7,450). Phoenix was the lowest bid, so the Parties agreed to retain Phoenix based on its all-in (fixed) fee to administer the settlement for $6,500. The concurrently filed Declaration of Mike Moore of Phoenix covers the other information required in CMO ¶ G(3)(d)(ii).

**SUBMISSION TO THE LWDA**

80. Plaintiff has concurrently submitted the settlement and all moving papers to the LWDA in accordance with Labor Code § 2699(l)(2). The proof of submission is attached hereto as **Exhibit G.**

**EXHIBITS AND CONCLUSION**

81. A true and correct copy of the Settlement Agreement is attached as **Exhibit A**.

82. The proposed Class Notice is attached as **Exhibit B**.

83. The proposed Request for Exclusion Form is attached as **Exhibit C**.

84. The proposed Objection Form is attached as **Exhibit D**.

85. The proposed Dispute Form is attached as **Exhibit E.**

86. A true and correct copy of the notice letter we submitted on behalf of Plaintiff to the LWDA is attached as **Exhibit F**.

87. The LWDA's confirmation of receipt of this Motion and Declarations is attached hereto as **Exhibit G.**

88. Counsel has reviewed both the terms and the terminology of the order and the accompanying forms (notice, objection form, exclusion form and dispute form) to confirm that the various documents are internally consistent, consistent with each other, and consistent with the settlement agreement.

89. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the settlement as being fair, reasonable, and in the best interests of the class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement payment to the Class Representative.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 15, 2026, at Riverside, California.

By: _____
Brian J. Mankin, Esq.

EXHIBIT “A”

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Brian J. Mankin, Esq. [CSB No. 216228]
*brian@lmlfirm.com*
Peter J. Carlson, Esq. [CSB No. 295611]
*peter@lmlfirm.com*
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

MATTHEW T. DRENAN (SBN 302477)
matt.drenan@quarles.com
PEYTON M. TURNER (SBN 353386)
peyton.turner@quarles.com
**QUARLES & BRADY LLP**
101 West Broadway, Suite 1500
San Diego, California 92101
Telephone: 619-237-5200
Facsimile: 619-615-0700

Attorneys for Defendant Tecta America Southern California, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

| | |
|---|---|
| FELIPE RAYGOZA, individually, on a representative basis, and on behalf of all others similarly situated;<br><br>Plaintiff,<br><br>vs.<br><br>TECTA AMERICA SOUTHERN CALIFORNIA INC., a California Corporation; and DOES 1 through 20, inclusive;<br><br>Defendants. | Case No.: CVRI2501103<br>*[Assigned to Hon. Harold Hopp, Dept. 1, for all purposes]*<br><br>**CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS** |

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This Class Action and PAGA Settlement Agreement and Release of Claims is entered into by and between Plaintiff Felipe Raygoza ("Plaintiff"), individually and on behalf of all others similarly situated, and on behalf of the State of California, and Defendant Tecta America Southern California Inc. ("Defendant"), and is approved by their respective counsel of record, subject to the terms and conditions hereof and the Court's approval.

**A. Definitions**

1. "Action" or "Lawsuit" means and refers to the case entitled *Raygoza v. Tecta America Southern California, Inc.*, Riverside County Superior Court, Case No. CVRI2501103.

2. "Aggrieved Employee(s)" means all current and former nonexempt (hourly paid) employees employed by Defendant in California during the PAGA Period.

3. "Agreement" or "Settlement Agreement" or "Settlement" shall mean this Class Action and PAGA Settlement Agreement and Release of Claims.

4. "Class" means all current and former nonexempt (hourly paid) employees employed by Defendant in California during the Class Period.

5. "Class Member(s)" refers to individual members of the Class.

6. "Class Counsel" refers to Brian Mankin and Peter Carlson of Lauby, Mankin & Lauby LLP.

7. "Class Data" means a complete list that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator on one spreadsheet which shall include, for each Class Member: (a) individual's full name; (b) last known address; (c) Social Security Number; and (d) total Weeks Worked during the PAGA Period and the Class Period.

8. "Class Period" is deemed to be any time during the period of March 4, 2021, through June 22, 2026.

9. "Class Representative" or "Plaintiff" means and refers to Plaintiff Felipe Raygoza.

10. "Complaint" refers to the operative First Amended Complaint that was filed on September 11, 2026.

11. "Court" (or "Judge") means the California Superior Court, County of Riverside.

12. "Defendant" means and refers to Defendant Tecta America Southern California, Inc.

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13. "Defendant's Counsel" or "Defense Counsel" means and refers to Quarles & Brady LLP.

14. "Effective Date" means the latest of the following dates: (a) if no Class Member timely and properly intervenes, or files a motion to vacate the judgment approving the Settlement Agreement under Code of Civil Procedure section 663, then the date the Court enters an order granting Final Approval; (b) if a Class Member intervenes, or files a motion to vacate the judgment approving the Settlement Agreement, then sixty-one (61) calendar days following the date the Court enters an order granting Final Approval, assuming no appeal is filed; or (c) if a Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure section 663 or initiates another collateral attack, and if a timely appeal is filed, then the date of final resolution of that appeal or other collateral attack (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

15. "Escalator Clause:" Defendant represents that there are approximately 150 Class Members who worked approximately 16,000 Workweeks during the Class Period. If the total count of Workweeks (as contained in the Class Data) exceeds 17,600 (10% more than Defendant's representation), then, at Defendant's election, Defendant can either: (a) increase the Settlement Amount by $42.18 for each additional Workweek above 17,600, or (b) end the Class Period on the date through which there are no more than 17,600 Workweeks. However, in no event shall the Class Period end before April 23, 2026 (the date of mediation).

16. "Final Approval" refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as may be modified by subsequent agreement of the Parties.

17. "Individual Class Payment" refers to each Participating Class Members share of the Net Settlement Amount, as further discussed in Paragraph 47 below.

18. "Individual PAGA Payment" refers to each Aggrieved Employees share of the PAGA Penalties, as further discussed in Paragraph 47 below.

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19. "Net Settlement Amount" shall have the meaning ascribed to it in Paragraph 47 below.

20. "Notice" means the notice of proposed class settlement that will be sent to the Class Members, and which will advise each Class Member of the settlement and his or her estimated Individual Class Payment and Individual PAGA Payment, total Weeks Worked, and will further advise of the setting of a Final Approval Hearing.

21. "Notice Packet" means the Notice, Request for Exclusion Form, Objection Form, and Dispute Form to be sent to all Class Members in English and Spanish.

22. "Objecting Class Member" means a Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 69 below.

23. "PAGA Penalties" means the amount that the Parties have agreed to pay to the California Labor and Workforce Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General Act of 2004 (Lab. Code section 2698, *et seq.*, "PAGA"), as well as the individual PAGA payment allocated to each Aggrieved Employee.

24. "PAGA Period" is deemed to be any time during the period of March 4, 2024, through June 22, 2026.

25. "Participating Class Member" means any and all Class Members who are deemed to participate and receive an Individual Class Payment and do not opt-out by submitting timely valid Requests for Exclusion.

26. "Parties" or "Settling Parties" mean Plaintiff and Defendant, collectively.

27. "Preliminary Approval Date" means the date the Court approves the Settlement Agreement and enters the Preliminary Approval Order.

28. "Preliminary Approval Order" means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and approving the PAGA Settlement and providing for the issuance of the Notice Packet to the Class, an opportunity to opt out of the Settlement, an opportunity to submit timely objections to the Settlement, and setting a final approval hearing on the fairness of the terms of Settlement,

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including approval of attorneys' fees and costs. Provided that the motion is consistent with the terms herein, Defendant will not object to Plaintiff's motion for preliminary approval but will be provided with an opportunity to review and comment upon the motion before it is filed.

29. "QSF" means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Participating Class Members and Aggrieved Employees, and from which the settlement payments shall be made.

30. "Released Class Claims" or "Class Claims" means the claims stated in the Complaint and those based solely upon the facts in the Complaint, including: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period.

31. "Released PAGA Claims" means the PAGA claims that Plaintiff alleged against the Released Parties, based on the facts stated in the relevant LWDA notice letter and only to the extent that they are alleged in the Complaint, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq*. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. The Released PAGA Claims shall bind only Plaintiff and the State of California.

32. "Released Parties" means Defendant, together with its officers, directors, employees, and agents.

33. "Response Deadline" is 45 calendar days from the date the Notice is mailed to the Class Members.

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34. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 69 below.

35. "Settlement Amount" is $675,000, subject to the Escalator Clause and exclusive of Defendant's obligation to fund its share of payroll taxes, as further discussed in Paragraph 47 below.

36. "Service Payment" or "Service Award" means the amount approved by the Court to be paid to the Class Representative in addition to their Individual Class Payments as Participating Class Members and Individual PAGA Payments as Aggrieved Employees.

37. "Settlement Administrator" means and refers to Phoenix Settlement Administrators, the third-party class action settlement administrator agreed to by the Parties, that will provide the Notice Packet to the Class Members and distribute the settlement amounts as described in this Agreement.

38. "Settlement Administration Costs" means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, translating, distributing, and tracking documents for this Settlement, tax reporting, and deposit of the employee and employer share of payroll taxes, unclaimed property due diligence, reporting and remittance obligations, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Settlement Amount, and shall not exceed the amount approved by the Court, regardless of any additional costs that the Settlement Administrator may request or feel is necessary to administer the Settlement.

39. "Work Weeks" or "Weeks Worked" in the context of a Class Members means any and all work weeks during the Class Period during which the Class Member worked at least one (1) day for Defendant in California. Likewise, in the context of Aggrieved Employees, it means any and all weeks worked during the PAGA Period during which the Aggrieved Employee worked at least one day for Defendant in California.

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**B. General Terms**

40. On March 4, 2025, Plaintiff filed the instant class action, alleging that Defendant violated various sections of the Labor Code. Plaintiff also gave written notice by online filing to the LWDA and by certified mail to Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Plaintiff then filed the operative first amended complaint, alleging putative class and representative PAGA claims against Defendant.

41. Defendant denies Plaintiff's claims and allegations and contends that the Action is not suitable for class certification.

42. The Class Representative believes he can proceed with the representative and class claims, that the Action is meritorious, and that class certification is appropriate.

43. The Parties have conducted a thorough investigation into the facts of the Action. This includes an extensive exchange of informal discovery, including a sampling of payroll and timekeeping records for Class Members. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Class. Class Counsel has diligently pursued an investigation of the Class Members' claims against Defendant. Based on the foregoing data and on their own independent investigation and evaluation, Class Counsel is of the opinion 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 in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

44. On April 23, 2026, the Parties participated in a full-day mediation with Steve Serratore, Esq., a well-respected wage-and-hour mediator. Although the Action did not settle at mediation, the mediator issued a mediator's proposal that was accepted by the Parties.

45. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be performed or judgment to be entered pursuant to the terms of the Settlement and Agreement, shall be construed as an admission by Defendant of any wrongdoing or violation of

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any statute or law or liability on the claims or allegations in the Action.

46. Stipulation for Class Certification. For settlement purposes only, Defendant will stipulate that the Class Members described herein who do not Request Exclusion from the Class may be conditionally certified as a Class. This stipulation to certification is in no way an admission that class action certification is proper and shall not be admissible in this action except for the sole purposes of enforcing this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in this Action in connection with, the issue of whether certification would be appropriate in a non-settlement context. Defendant expressly reserves its rights and declares that it would continue to oppose class certification and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification and a trial should the Court fail to issue Final Approval.

**C. Terms of Settlement**

47. The financial terms of the Settlement are as follows:

(a) Settlement Amount: The Parties agree to settle this Action for the Settlement Amount, which is the maximum amount that will be paid by Defendant unless the Escalator Clause is triggered and except for the employer's share of payroll taxes that will be paid by Defendant in addition to the Settlement Amount. The Settlement Amount includes payments to the Participating Class Members, PAGA Penalties (to the Aggrieved Employees and LWDA), Attorneys' Fees and Costs Award, Service Payment to the Class Representative, and Settlement Administration Costs. Defendant shall separately pay the employer's share of payroll tax obligations, which shall be reported through the Settlement Administrator.

(b) Net Settlement Amount: The "Net Settlement Amount" is defined as the Settlement Amount, less the Attorneys' Fees and Costs Award, Service Payment to the Class Representative as awarded by the Court, Settlement Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys' Fees and Costs Award, Service Awards, or Settlement

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Administrator Costs, or either increases or decreases the amount allocated to the PAGA Penalties, the difference shall be placed in the Net Settlement Amount and allocated to the Participating Class Members.

(c) Individual Class Payments. Individual Class Payments for the Class will be calculated and apportioned from the Net Settlement Amount based on the number of Weeks Worked by a Class Member during the Class Period. Thus, each specific Individual Class Payment will be calculated by: (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Members' Weeks Worked. The amount actually distributed to Participating Class Members shall equal one hundred percent (100%) of the Net Settlement Amount.

(d) Allocation of Individual Class Payments: The Individual Class Payments to Participating Class Members will be allocated as follows: 10% will be allocated as wages subject to withholding of all applicable local, state and federal taxes; and 90% will be allocated for interest and statutory penalties from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an IRS Form W-2 and comparable state forms with respect to the wage allocation and an IRS Form 1099 with respect to the penalties and interest allocations.

(e) Service Payment to Class Representative: The amount, if any, awarded to the Class Representative as Service Payment will be set by the Court in its discretion, not to exceed $10,000 to Plaintiff, in exchange for the service that Plaintiff performed on behalf of the Class. Defendant agreed not to oppose this request. The Service Payment to Plaintiff will be paid out of the Settlement Amount. The Class Representative will be issued an IRS Form 1099 for this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded as the Service Payment to Plaintiff less than the requested amount shall not be a basis for Class Counsel to void this Settlement Agreement. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount for distribution to Participating Class Members.

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(f) Attorneys' Fees and Costs Award: Defendant agreed to not oppose a request by Class Counsel to the Court for an award of attorneys' fees of one-third of the Settlement Amount, plus reasonable litigation costs of up to $30,000, subject to proof ("Attorney's Fees and Cost Award"). Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees should be based on the catalyst and/or common fund theory. The Attorney's Fee and Cost Award shall be paid from the Settlement Amount, and, except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

(g) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Settlement Amount, not to exceed $6,500, unless (i) the Escalator Clause is triggered (whereby any reasonable increase in Settlement Administration Costs shall be paid from the increased Settlement Amount, subject to Court approval), or (ii) as otherwise approved by all Parties and the Court.

(h) PAGA Penalties: The Parties agree that $50,000 is allocated to PAGA Penalties, and is to be paid from the Settlement Amount, subject to Court approval. Of this amount, $32,500 (65%) shall be paid to the LWDA in satisfaction of civil penalties under the Private Attorney General Act of 2004 ("PAGA") and $17,500 (35%) will form the Individual PAGA Payments to the Aggrieved Employees, which shall be calculated and allocated pro-rata on a Work Week basis, treated entirely as civil penalties, and which shall be reported as required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the Settlement. The Settlement Administrator will calculate Individual PAGA Payments by: (1) dividing $17,500 by the total number of Weeks Worked by all Aggrieved Employees during the PAGA Period and (2) multiplying the result by the number of Weeks Worked by each individual Aggrieved

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Employee during the PAGA Period.

(i) Tax Liability: Class Counsel and Defendant make no representations as to the tax treatment or legal effect of settlement amounts called for hereunder, and Plaintiff and the Class Members are not relying on any statement or representation by Class Counsel or Defendant in this regard. Plaintiff, Participating Class Members, and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on their respective Individual Class Payments and Individual PAGA Payments, described herein. An IRS Forms 1099 will be distributed in the manner required by the Internal Revenue Code of 1986 ("Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant into compliance with any such changes. Plaintiff, Participating Class Members, and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on their respective payments described herein.

(j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY

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OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

(k) "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under no circumstances will any portion of the Settlement Amount revert to Defendant. Participating Class Members and Aggrieved Employees will not have to make a claim to receive an Individual Class Payment or Individual PAGA Payment. Distributions, in the form of Individual Class Payment or Individual PAGA Payments will be made directly to each Participating Class Member and Aggrieved Employee. The Settlement Administrator shall be responsible for accurately and timely reporting and remittance obligations with respect to unclaimed funds as a result of a Participating Class Member and/or Aggrieved Employee not cashing any checks delivered pursuant to the Settlement by the check cashing deadline.

(l) Class Counsel and Plaintiff believe that the Settlement is fair and reasonable and will so represent same to the Court.

**D. Release by the Participating Class Members**

48. Upon the Effective Date, and except as to such rights or claims as may be created by this Agreement, Plaintiff and the Participating Class Members will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Period.

49. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

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50. Class Representative, on behalf of himself and the Class, acknowledges and agrees that the claims for unpaid wages and untimely payment of wages in the Action are disputed, and that the payments set forth herein constitute payment of all sums allegedly due to them. Class Representative, on behalf of himself and the Class, acknowledges and agrees that Labor Code section 206.5 is not applicable to the Parties or Settlement. Labor Code section 206.5 provides in pertinent part as follows: "An employer shall not require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made."

**E. Release of PAGA Claims**

51. Upon the Effective Date, Plaintiff – in his individual capacity and on behalf of the State of California and LWDA – shall completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Period.

52. Regardless of submitting a valid Request for Exclusion, neither Plaintiff nor any Aggrieved Employee shall have the right to opt out or exclude themselves from releasing the PAGA portion of the Settlement.

53. It is the intent of the Parties that the Final Approval Order shall have full equitable and collateral estoppel and res judicata effect to the fullest extent permitted by law.

**F. Release by Plaintiff**

54. Plaintiff does hereby, for himself and his spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns, forever and completely releases and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Agreement, whether known or unknown, suspected or unsuspected, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with Defendant or the remuneration for or termination of such

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employment (the "Plaintiff's Claims").

55. Without limiting the generality of the foregoing, this general release by Plaintiff includes all federal, state and local statutory claims, federal and state common law claims (including but not limited to those for contract, tort and equity), including without limitation any claims for breach of any implied or express contract or covenant; claims for promissory estoppel; claims of entitlement to any pay; claims of wrongful denial of insurance and employee benefits (except workers' compensation benefits); claims for failure to hire, public policy violations, defamation, invasion of privacy, fraud, misrepresentation, emotional distress, assault/battery, or other common law or tort matters; claims of harassment, retaliation or discrimination based on age, race, color, religion, sex, national origin, ancestry, physical or mental disability, protected activity, medical condition, marital status, sexual preference, union activity, or veteran status; claims under the Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 (as amended), the Civil Rights Act of 1991; 42 USC sec. 1981, 42 USC sec. 1983, the Older Workers Benefit Protection Act, the Family and Medical Leave Act; claims for unfair competition; claims based on legal restrictions on Defendant's right to terminate, not to hire or promote employees, or to change an employee's compensation; and claims based on any federal, state or other governmental statute, regulation or ordinance, all statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, or any other claims arising under the Fair Labor Standards Act, the Employment Retirement Security Income Act of 1974, the California Constitution, the California Fair Employment and Housing Act, the California Unfair Competition Act (California Business and Professions Code section 17200 *et seq*.), the California Labor Code, or Industrial Welfare Commission Wage Orders, or arising out of or based upon the following categories of allegations regardless of the forum in which they may be brought, to the fullest extent such claims are releasable by law: (i) all claims for unpaid overtime; (ii) all claims for unpaid wages; (iii) all claims for meal break violations; (iv) all claims for rest period violations; (v) all claims for paid sick leave violations; (vi) all claims for the failure to timely pay wages upon termination; (vii) all

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claims for the failure to timely pay wages during employment; (viii) all claims for wage statement violations; (ix) all claims for reporting time pay; and (x) all other penalties recoverable for such claims under PAGA.

56. Plaintiff agrees that there is a risk that any injury that they may have suffered by reason of the Released Parties' relationship with him might not now be known, and there is a further risk that said injuries, whether known or unknown at the date of this Settlement Agreement, might possibly become progressively worse, and that as a result thereof further damages may be sustained. Nevertheless, Plaintiff agrees to forever and fully release and discharge the Released Parties and understands that, by the execution of this Settlement Agreement, no further claims for any such injuries that existed at the time of the execution of this Settlement Agreement may ever be asserted by Plaintiff with respect to claims arising in the time period from the beginning of time to the execution of this Settlement Agreement.

57. Plaintiff expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

> 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.

Plaintiff acknowledges and agrees that this knowing and voluntary waiver is an essential and material term of this Settlement Agreement, and the Settlement Agreement would not have been entered into without such a waiver.

58. Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Plaintiff expressly acknowledges that this Settlement Agreement is intended to include in its effect, without limitation, all claims that Plaintiff knew of, as well as all claims that he does not know or suspect

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to exist in his favor against the Released Parties, or any of them, for the time period from the beginning of time to the execution of this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such Plaintiff's claims. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

**G. Interim Stay of Proceedings**

59. Pending completion of all prerequisites necessary to effectuate this Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the Settlement.

**H. Notice Process**

60. Appointment of Settlement Administrator. The Parties have agreed to the appointment of the Settlement Administrator to perform the duties of a settlement administrator, including mailing the Notice Packet, using standard devices to obtain forwarding addresses, independently reviewing and verifying documentation associated with any claims or opt-out requests, resolving any disputes regarding the calculation or application of the formula for determining the Individual Settlement Amounts, drafting and mailing the settlement checks to Participating Class Members and Aggrieved Employees, issuing all necessary tax forms, and performing other tasks as set forth herein or as the Parties mutually agree or the Court orders.

61. Disputes Regarding Settlement Administration. Any and all disputes relating to administration of the Settlement by the Settlement Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until Plaintiff and Defendant notify the Court that all payments and obligations contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator shall also be responsible for issuing to Plaintiff, Participating Class Members, and Aggrieved Employees, and Class Counsel any Tax Forms as may be required by law for all amounts paid pursuant to this Agreement.

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62. Class Data. Within fourteen (14) days after entry of the Preliminary Approval Order, Defendant shall provide the Class Data to the Settlement Administrator. The Settlement Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement Administrator will remain confidential and will not be used or disclosed to anyone, except as required by applicable tax authorities, pursuant to Defendant's express written consent, or by order of the Court.

63. Total Workweeks. At least ten (10) calendar days prior to mailing the Notice Packet, the Settlement Administrator shall provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary calculation of all payments to be paid from the Settlement Amount, including the estimated Individual Class Payments to each Class Member and Individual PAGA Payments to each Aggrieved Employee (a person's name shall be redacted and a control number used in place of the name). In the event that the total Workweeks worked by all Class Members triggers the Escalator Clause, Defendant shall have fifteen (15) calendar days to make their election to either increase the Settlement Amount or change the end date of the Class Period under Paragraph 15 above. In either event, the Settlement Administrator shall notify the Parties of the increased Settlement Amount (if applicable), and related increased payments from the Settlement Amount (if applicable), including increased Attorneys' Fees and Costs and any increased Settlement Administration Costs, all of which shall be subject to Court approval, and shall update Notice accordingly (including modifying the end date of the Class Period if Defendant elect that option).

64. Notice Packet. The Notice Packet, as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, in English and Spanish, within fifteen (15) calendar days following the Settlement Administrator's receipt of the Class Data. For all Class Members, the Notice Packet will include the Notice, Request for Exclusion Form, Objection Form, and Dispute Form. The Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes are returned.

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65. Returned Notice Packets. The Settlement Administrator will take steps to ensure that the Notice Packet is received by all Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice Packet shall be identical to the original Notice Packet, except that it shall notify the Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Response Deadline or fifteen (15) days after the remailing of the Notice Packet.

66. Presumption Regarding Receipt of Notice Packet. It will be conclusively presumed that if an envelope has not been returned to Settlement Administrator by the Response Deadline that the Class Member received the Notice Packet.

67. Disputes Regarding Class Data. Class Members are deemed to participate in the Settlement unless they opt-out, and Aggrieved Employees may not opt out of the PAGA portion of the Settlement. The Notice will inform Class Members of their estimated Individual Class Payment and Individual PAGA Payment, as well as the number of Weeks Worked during the Class Period and the PAGA Period. Class Members may dispute their Weeks Worked by timely submitting evidence to the Settlement Administrator. Defendant's records will be presumed determinative absent reliable evidence to rebut Defendant's records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Work Weeks, and estimated Individual Class and PAGA Payments. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Court to render a final decision. Class Members and Aggrieved Employees will have until the Response Deadline to dispute Weeks Worked, object, or opt out, unless extended by the Court.

68. Declaration of Due Diligence. The Settlement Administrator shall provide counsel for the Parties, at least fifteen (15) calendar days after the initial Response Deadline, a declaration

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of due diligence and proof of mailing with regard to the mailing of the Notice Packet.

69. Class Members' Rights. Each Class Member will be fully advised of the Settlement, the ability to object to the settlement, and the ability to opt out or request exclusion from the Class Claims portion of the Settlement. The Notice Packet will inform the Class Members of the Court-established deadlines for filing objections or requesting exclusion from the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Class. Any Class Member, other than Plaintiff, may request to be excluded from the Class by completing the Request for Exclusion Form provided within the Notice Packet. The Request for Exclusion Form must be mailed to the Settlement Administrator and postmarked on or before the Response Deadline in order to be timely, unless the Parties otherwise agree in writing. Any such Request must be made in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall attach each Request for Exclusion to its declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under this Agreement, including the right to object, appeal or comment on the Settlement; (ii) will not be entitled to receive any payments under this Agreement; and (iii) will not be bound by this Agreement, or the Judgment. Any Class Member who is an Aggrieved Employee who requests timely exclusion will still receive an Individual PAGA Payment. All Parties and their counsel, including Defendant and their agents and employees, shall not encourage or solicit opt-outs or objections, directly or indirectly, through any means.

(b) Binding Effect on Participating Class Members. All Participating Class Members will: (i) be bound by the terms and conditions of this Agreement, Judgment, and releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement.

(c) Objections to Settlement. Any Class Member, other than Plaintiff, who does not submit a valid and timely Request for Exclusion may object to the terms of this Agreement by completing the Objection Form provided within the Notice Packet. Any Class

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Member that intends to object must mail the Objection Form to the Settlement Administrator. The Objection Form must be postmarked on or before the Response Deadline in order to be timely, unless the Parties otherwise agree in writing. Additionally, any objection must be made in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall provide any objections to Class Counsel and Defense Counsel within three (3) calendar days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible to receive monetary compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees, costs, or expenses incurred by any Class Member and/or his or her counsel related to any objections to the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. The right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure section 663.

(d) Failure to Object. Any Class Member who does not timely and properly become a party of record by intervening or filing a motion to vacate the judgment waives any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion under Code of Civil Procedure section 473, and extraordinary writs.

(e) Responses to Objections. Counsel for the Parties may file a response to any objections submitted by Objecting Class Members at least five (5) court days before the date of the Final Approval Hearing.

(f) Class Members will have until the Response Deadline to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement Administrator shall disclose jointly to Class Counsel and Defense Counsel what objections or Requests for Exclusion were timely submitted on a weekly basis and upon the request of Class Counsel or Defense Counsel.

70. Funding of the Settlement Amount. Defendant shall deposit the Settlement Amount, plus Defendant's share of payroll taxes, within 65 days of the Effective Date.

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71. Distribution of Funds. No later than ten (10) calendar days after the deposit of the Settlement Amount by Defendant, the Settlement Administrator shall mail the Individual Class Payments to the Participating Class Members, the Individual PAGA Payments to the Aggrieved Employees, the payment to Class Counsel for the Attorneys' Fees and Costs Award, any Service Payment to the Class Representative, the payment to the LWDA for PAGA Penalties, mail to the Aggrieved Employees their portion of the PAGA Penalties, and will pay itself the Settlement Administration Costs.

72. Deadline for Cashing Settlement Checks. Participating Class Members and Aggrieved Employees shall have one hundred eighty (180) calendar days after mailing by the Settlement Administrator to cash their settlement checks. The release will be binding upon all Participating Class Members who do not cash their checks within the 180-day period. In the event that any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to locate the individual, and notify Defense Counsel and Class Counsel of the results. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check. Neither Defendant, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Participating Class Member and/or Aggrieved Employee notifies the Settlement Administrator that he or she believes that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Settlement Administrator will issue a replacement check.

(a) If any Participating Class Member's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued, and the Settlement Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Class Member.

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(b) If any Aggrieved Employee's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued, and the Settlement Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Aggrieved Employee.

**I. Duties of the Parties Prior to the Court's Approval**

73. Promptly after execution of this Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payments;

(b) Approving as to form and content the proposed Notice Packet;

(c) Directing the mailing of the Notice Packet by first class mail to the Class Members;

(d) Preliminarily approving this Settlement;

(e) Preliminarily certifying the class for purposes of this Settlement; and

(f) Advising the LWDA of the proposed Settlement.

**J. Duties of the Parties Following Court's Final Approval**

74. In connection with the Final Approval Hearing provided for in this Agreement, Class Counsel shall submit a proposed Final Approval Order:

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

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, Service Payments to the Class Representatives, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement.

/ / /

/ / /

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**K. Voiding the Agreement**

75. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Agreement which effects a fundamental change of the Settlement, the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

76. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Settlement Amount, or any amounts that would have been owed under this Settlement.

77. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff, unless otherwise specified in this Agreement.

**L. Other Terms**

78. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

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

80. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and Defense Counsel, take all necessary steps to secure the Court's preliminary and final approval of the settlement, approval of the PAGA settlement, and the final entry of judgment.

81. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,

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transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged by this Agreement.

82. No Admission. Defendant denies any and all liability to Plaintiff and/or any Class Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendant has taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that they have asserted or could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

83. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Agreement is a settlement document, and it, along with all related documents such as the notices, and motions for preliminary and final approval, shall, pursuant to Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Agreement. The stipulation for class certification as part of this Agreement is for settlement purposes only and if, for any reason the settlement is not approved, the stipulation will be of no force or effect.

84. No Publicity. The Parties will not publicize the Settlement or disclose it to third parties prior to the Court granting Preliminary Approval, except as required or necessary to effectuate its terms and comply with law. After the Final Approval Date, Class Counsel and Class Representatives agree that they will not discuss the Settlement with the media, any settlement and verdict reporting service, any social media postings or other Internet postings. Nothing herein

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shall be construed to prevent Class Counsel from the public filing of motions or other case materials in the Action related to seeking and obtaining Court approval of this Settlement and the related awards of attorneys' fees and costs, or to communications with Class Members or their representatives about this Settlement, including through the posting of Court-filed documents on Class Counsel's websites for access solely by the Class Members, or to prevent the Parties or their representatives from communicating with financial or legal advisors regarding the Settlement. In response to any media inquiry, Class Counsel may state only that the Action has been settled on terms mutually agreeable to the Parties.

85. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

| *To the Class*: | *To Defendant*: |
|---|---|
| Brian J. Mankin<br>*brian@lmlfirm.com*<br>Lauby, Mankin & Lauby LLP<br>5198 Arlington Ave, PMB 513<br>Riverside, CA 92504<br>Tel: (951) 320-1444<br>Fax: (951) 320-1445 | Matthew T. Drenan<br>*matt.drenan@quarles.com*<br>Quarles & Brady LLP<br>101 West Broadway, Suite 1500<br>San Diego, California 92101<br>Telephone: 619-237-5200<br>Facsimile: 619-615-0700 |

86. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiff and Defendant expressly waive the common law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

87. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or

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describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

88. Modification. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

89. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and Defendant may agree to seek the help of the Mediator to resolve any dispute they are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or Defendant.

90. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

91. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

92. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

93. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Notice Packet will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this

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Agreement were executed by each Class Member.

94. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

Dated: Oct 7, 2026

**PLAINTIFF AND CLASS REPRESENTATIVE**

Felipe Raygoza

Felipe Raygoza (Oct 7, 2026 17:19:04 PDT)

Felipe Raygoza

Dated: 10/15/2026

**DEFENDANT TECTA AMERICA SOUTHERN CALIFORNIA, INC.**

Signed by:
Chad Cron
903F8CD16DAC400...

By: Chad Cron

Title: Senior VP and General Counsel

**APPROVED AS TO FORM:**

Dated: 10/7/26

**CLASS COUNSEL**
LAUBY, MANKIN & LAUBY LLP

Brian J. Mankin, Esq.
Attorneys for Plaintiffs

Dated: October 15, 2026

**DEFENSE COUNSEL:**
QUARLES & BRADY LLP

Matthew T. Drenan, Esq.
Attorneys for Defendant

EXHIBIT “B”

# COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

***Felipe Raygoza v. Tecta America Southern California Inc.***
(Riverside Superior Court, Case No. CVRI2501103)

***The Riverside Superior Court authorized this Notice. Read it carefully!***
***It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

**You may be eligible to receive money** from the settlement of an employment class and representative action lawsuit referenced above ("Action") filed by Plaintiff Felipe Raygoza ("Plaintiff") against Defendant Tecta America Southern California Inc. ("Defendant") for alleged wage and hour violations. In the Action, Plaintiff pursue claims against Defendant and seeks payment of:

(1) Unpaid wages, statutory damages and penalties, interest, and attorneys' fees on behalf of the "Class Members" who are defined as "all current and former nonexempt (hourly paid) employees employed by Defendant in California at any time during the Class Period of March 4, 2022, through June 22, 2026."

(2) Penalties under the California Private Attorneys General Act of 2004 ("PAGA") and attorneys' fees for the "Aggrieved Employees" who are defined as "all current and former nonexempt employees employed by Defendant in California at any time during the PAGA Period of March 4, 2024, through June 22, 2026." PAGA is a California law that allows employees to bring claims for civil penalties on behalf of the California Labor and Workforce Development Agency ("LWDA"), the State of California, and all Aggrieved Employees for alleged violations of the Labor Code, and any payment for PAGA penalties shall be paid 65% to the LWDA and 35% to the Aggrieved Employees as civil penalties (rather than wages).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the LWDA. Based on Defendant's records, and the Parties' current assumptions, your estimated Individual Class and PAGA Payments are shown in the charts below, along with the applicable data points from which these estimates are derived.

| ***Calculations and Data Points for Estimated Payments*** | | | |
|---|---|---|---|
| **Workweeks during Class Period** | INSERT | ***Estimated* Individual Class Payment** | $INSERT |
| **Workweeks during PAGA Period** | INSERT | ***Estimated* Individual PAGA Payment** | $INSERT |

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated for your Individual PAGA Payment then, according to Defendant's records, you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.) If you believe that you worked more weeks during the Class Period discussed above, you can submit a dispute to this calculation by DATE, 2026 ("**Response Deadline**"). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
|---|---|
| **DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT** | If you want to receive your full settlement payment, then no further action is required on your part. You will be a "Participating Class Member" (*i.e.*, a Class Member that did not request exclusion from the Settlement) and will automatically receive an Individual Class Payment and Individual PAGA Payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims and Released PAGA Claims described in **Section 3**. |
| **EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT** | If you do not wish to participate in the settlement of the Class Claims, you may "opt-out" of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion Form by _____, 2026 (see **Section 6** for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) not receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims. See **Section 6** of this Notice. |
| **OBJECT** | If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an Objection Form stating why you object to the settlement by _____, 2026 (see **Section 7** for more details on how to object). |
| **DISPUTE THE NUMBER OF WEEKS WORKED** | If you believe the number of Weeks Worked that you were credited with working in the chart above is incorrect, you may submit the enclosed Dispute Form with any supporting evidence to Phoenix Settlement Administrators (the "Settlement Administrator"), a third party that is responsible for sending this Notice) (see **Section 4** for more details on how to submit a Dispute Form). Defendant's records will be presumed correct, but you may provide evidence to the Settlement Administrator showing how many Weeks Worked you believe you should be credited. |

| YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT'S NOT REQUIRED | |
|---|---|
| **DATE: DATE, 2026**<br>**TIME: 8:30 A.M.** | At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. See **Section 8** of this Notice. |

## 1. WHAT IS THE ACTION ABOUT?

In the Action, Plaintiff alleged that Defendant violated California labor laws, including the alleged failure to pay proper minimum, regular and overtime wages (including sick and vacation pay), failure to provide proper meal and rest breaks or penalties, failure to reimburse business expenses, failure to provide accurate itemized wage statements, failure to timely pay wages upon separation of employment, as well as unfair business practices and violation of wage orders related to these claims. Based on the same claims, Plaintiff also asserted a claim for civil penalties under the PAGA.

Defendant strongly denies violating any laws or failing to pay any wages. Defendant further contends that it complied with all applicable laws.

Both Parties are represented by attorneys in the Action. See **Section 9** below for their contact information.

## 2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement"), Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits, and has determined only that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at final hearing. The Court preliminarily approved the proposed Settlement, authorized this Notice, and scheduled a hearing to determine Final Approval.

## 3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay $675,000.00 as the "Settlement Amount." Defendant has agreed to pay a Total Settlement Amount of $675,000.00 (the "Settlement Amount"), and will deposit the Settlement Amount into an account controlled by Settlement Administrator. The Settlement Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's Costs, and PAGA Penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Settlement Amount and then checks will be issued approximately 75 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if the Judgment is appealed.

2. Court Approved Deductions from Total Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to one-third of the Settlement Amount ($225,000.00) to Class Counsel for attorneys' fees and up to $30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to $10,000 each to the Class Representative as a Service Payment for litigating the Action, working with Class Counsel and representing the Class.

C. $6,500 to the Settlement Administrator for services administering the Settlement.

D. Up to $50,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their share of Weeks Worked during the PAGA Period.

E. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the remaining amount (the "Net Settlement Amount") will be disbursed to the Participating Class Members by making Individual Class Payments to Participating Class Members based on the allocation described in **Section 4**.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve a tax allocation with 10% as wages subject to withholding of all applicable local, state and federal taxes, subject to a W-2 tax form, and 90% for interest and statutory penalties from which no taxes will be withheld, subject to a 1099 tax form.

Although Plaintiff and Defendant have agreed to this method of allocation, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See **Section 6** of this Notice for details on how to Opt-Out.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will ultimately decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void; Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Settlement Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide any disputes over Weeks Worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement, consistent with the Parties' Settlement Agreement. The Settlement Administrator's contact information is contained in **Section 9** of this Notice.

9. Participating Class Members' Release. Upon the Effective Date and Defendant's full funding of the Settlement Amount and separate amount of payroll taxes, Plaintiff and the Participating Class Members will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Period. "Released Class Claims" means the claims stated in the Complaint and those based solely upon the facts in the Complaint, including: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period. As used herein, "Released Parties" means Defendant, together with its officers, directors, employees, and agents.

10. Release of Released PAGA Claims. Upon the Effective Date and Defendant's full funding of the Settlement Amount and separate amount of payroll taxes, Plaintiff – in his individual capacity and on behalf of the State of California and LWDA – shall completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Period. "Released PAGA Claims" means the PAGA claims that Plaintiff alleged against the Released Parties, based on the facts stated in the relevant LWDA notice letter and only to the extent that they are alleged in the Complaint, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq*. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. The Released PAGA Claims shall bind only Plaintiff and the State of California.

## 4. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members, *i.e.*, Class Members who do not opt out of the Settlement, during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period. The entire Net Settlement Amount will

be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Class Payment for each Participating Class Member according to the number of Weeks Worked, so that the amount actually distributed to Participating Class Members equals one hundred percent (100%) of the Net Settlement Amount.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing $17,500 by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Workweeks for each individual Aggrieved Employee during the PAGA Period. The Individual PAGA Payments will be reported on IRS Form 1099 if required by current IRS rules.

3. Disputing Weeks Worked. The number of weeks you worked during the Class and PAGA Period, as recorded in Defendant's records, is stated in the tables on page 1 of this Notice. You have until DATE ("Response Deadline") to dispute the number of Weeks Worked credited to you by mailing the enclosed Dispute Form to the Settlement Administrator. You may not dispute the Estimated Individual PAGA Payment. **Section 9** of this Notice has the Settlement Administrator's contact information.

You need to support your dispute by sending copies of the applicable documents or other records. The Settlement Administrator will accept Defendant's calculation of Weeks Worked based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve challenges based on your submission and on input from Class Counsel and Defendant's Counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise dispute its final decision.

## 5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (which includes every Class Member who doesn't opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

**Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact information.**

## 6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. To opt-out, you must complete, sign, and mail the accompanying Request for Exclusion Form to the Settlement Administrator, postmarked on or before the Response Deadline (as a reminder, **the "Response Deadline" is DATE, 2026**). Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. If you wish to object to the proposed Settlement, you or

your own attorney must submit a written objection, on the enclosed Objection Form and include any and all evidence and supporting papers. The Objection Form and any accompanying evidence and papers must be sent to the Settlement Administrator at the address listed in **Section 9** on the Objection Form, **postmarked** on or before the Response Deadline. If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

## 8. WHEN IS THE FINAL APPROVAL HEARING?

On INSERT DATE, the Court will hold a public hearing in Department 1 of the Superior Court for the State of California, County of Riverside, 4050 Main St, Riverside, CA 92501, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, whether to approve Plaintiff's request for the service award, whether to approve the Settlement Administrator's fees, and whether to approve the Individual Class Payments and Individual PAGA Payments. This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the enclosed Request for Exclusion Form, Dispute Form, or Objection Form, or the Settlement itself, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice and request for Exclusion, Objection, and Dispute Forms be sent to you in the mail. You may also seek advice and guidance from your own private attorney at your own expense if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Brian J. Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on INSERT DATE and available to be inspected at any time during regular business hours at the Clerk's Office, Superior Court for the State of California, County of Riverside, 4050 Main St, Riverside, CA 92501. You may also review the pleadings, records, and other papers on file in this lawsuit at the Clerk's Office or online at https://epublic-access.riverside.courts.ca.gov/public-portal/. To access the case file, click on "Case Number Search," then create a free online account, then type in the case number (CVRI2501103) where requested, and click "Search." You may also email Class Counsel and request a copy of the Settlement Agreement.

**DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT**

The contact information for Class Counsel and the Settlement Administrator are below:

| Class Counsel | Settlement Administrator |
|---|---|
| Brian Mankin, Esq.<br>*brian@LMLfirm.com*<br>Peter Carlson, Esq.<br>*peter@LMLfirm.com*<br>Lauby Mankin Lauby LLP<br>5198 Arlington Ave, PMB 513<br>Riverside, CA 92504<br>Tel: (951) 320-1444 | Name<br>Mailing Address<br>Telephone Number |

## 10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

## 11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.

EXHIBIT “C”

# REQUEST FOR EXCLUSION FORM

***Felipe Raygoza v. Tecta America Southern California Inc.***
(Riverside Superior Court, Case No. CVRI2501103)

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

## DO YOU WANT TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE A SETTLEMENT CHECK? (check the box that applies)

☐ **YES: STOP HERE -- DO NOT RETURN THIS FORM. NO FURTHER ACTION IS NEEDED TO PARTICIPATE IN THE SETTLEMENT.**

☐ **NO: SIGN, DATE AND RETURN THIS FORM TO EXCLUDE YOURSELF FROM THE SETTLEMENT.**

---

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**By signing below, I am excluding myself from the Settlement:**

I do NOT want to participate in the settlement in *Raygoza v. Tecta America Southern California Inc.* (Riverside Superior Court Case No. CVRI2501103). I understand by excluding myself that I will no longer be a Class Member, and I will not receive an Individual Class Payment. I further understand that I cannot opt-out of the PAGA portion of the Settlement, and that if I qualify as an Aggrieved Employee (see first page of the Notice), I will receive an Individual PAGA Payment even if I exclude myself.

Signed on _____ _____
[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

| **Settlement Administrator:** |
| --- |
| Name<br>Mailing Address<br>Telephone Number |

EXHIBIT “D”

# OBJECTION FORM

***Felipe Raygoza v. Tecta America Southern California Inc.***
(Riverside Superior Court, Case No. CVRI2501103)

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

## DO YOU OBJECT TO THE SETTLEMENT? (check the box that applies)

☐ **NO: STOP HERE -- DO NOT RETURN THIS FORM**

☐ **YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM**

Please note: if you wish to object to this Settlement, this form and any accompanying evidence must mailed to the Settlement Administrator at the address listed below and **postmarked** on or before **INSERT DATE**. If your form is submitted untimely, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement.

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. Any objection should describe the nature of and basis for the objection, and any other information that you would like the Court to consider. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

I OBJECT to the Settlement in the case of *Raygoza v. Tecta America Southern California Inc.* (Riverside Superior Court Case No. CVRI2501103) on the following grounds (if additional space is necessary, please include additional sheets of paper):

_____

_____

_____

_____

_____

_____

_____

_____

Signed on _____ _____

[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

**Settlement Administrator:**

Name
Mailing Address
Telephone Number

EXHIBIT “E”

# DISPUTE FORM

***Felipe Raygoza v. Tecta America Southern California Inc.***
(Riverside Superior Court, Case No. CVRI2501103)

Please verify and/or complete any missing identifying information:

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

The following charts are based on the records of Defendant Tecta America Southern California Inc. and reflect the number of Weeks Worked for Defendant as a nonexempt (hourly paid) employee in California during the "Class Period" (March 4, 2021, through June 22, 2026) and/or the "PAGA Period" (March 4, 2024, through June 22, 2026)

| *Data Points for Calculations of Individual Class Payment* | |
|---|---|
| **Weeks Worked during Class Period** | INSERT |

| *Data Points for Calculations of Individual PAGA Payment* | |
|---|---|
| **Weeks Worked during PAGA Period** | INSERT |

## DO YOU DISAGREE WITH ANY OF THE INFORMATION ABOVE AND WANT THE PARTIES AND ADMINISTRATOR TO INVESTIGATE FURTHER?

☐ **NO: STOP HERE -- DO NOT RETURN THIS FORM.**

☐ **YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM.**

Please state why you believe that you should be credited with more Weeks Worked than shown in the chart and attach copies (not originals) of supporting documentation. The Parties and Settlement Administrator will consider your challenge and make a determination as to these issues.

Signed on _____ _____

[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

**Settlement Administrator:**

Name
Mailing Address
Telephone Number

EXHIBIT “F”

LAUBY, MANKIN & LAUBY LLP

June 30, 2026

*Submitted Via Online Filing to the LWDA*

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

*Sent Via U.S. Mail and Certified Mail*

Tecta America Southern California Inc.
1217 E. Wakeham Ave.
Santa Ana, CA 92705

**Re: PAGA Civil Penalty Claim**
***Felipe Raygoza v. Tecta America Southern California Inc.***

To the Labor and Workforce Development Agency and All Entities/Owners Listed Herein:

Pursuant to the Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Felipe Raygoza ("Claimant"), on behalf of the State of California and all Aggrieved Employees, against his former employers, Tecta America Southern California Inc., and any other affiliated entities and the companies' respective owners/officers (the "Owners") (collectively, the "Company") for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, among other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

## FACTUAL BACKGROUND

Claimant was employed by the Company during the relevant period and alleges that he and all other nonexempt employees employed by the Company in California (the "Aggrieved Employees") were subjected to the same policies, working conditions, and corresponding wage and hour violations to which Claimant was subjected during employment.

For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages due to the Company's failure to accurately record and compensate for all hours worked, which led to frequent and recurring unpaid compensable time. For example, the Company frequently required Claimant and the Aggrieved Employees to perform pre- and post-shift work without compensation. To illustrate, the Aggrieved Employees often were required to perform tasks before arriving at the first job site (or after leaving the job site), yet the Company only paid for time on the job site. These practices violate California law. *Troester v. Starbucks Corporation* (2018) 5 Cal.5th 829 (California law "do[es] not allow employers to require employees to routinely work for minutes off the clock without compensation"); *Frlekin v. Apple Inc.* (2020) 8 Cal.5th 1038 (tasks are compensable when employee is under company's control and where the tasks served the employer's interests).

Additionally, Claimant and the Aggrieved Employees often worked more than 8 hours per day and/or 40 hours per week yet did not receive all required overtime and doubletime compensation on such occasions. Also, at all relevant times, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional earned compensation (including bonuses and other earned compensation). However, when the Aggrieved Employees worked overtime hours and earned additional compensation during the same workweek, the Company failed to properly include these amounts in the calculations for the regular rate of pay – in violation of California law and which led to the failure to pay proper overtime, sick time, and meal premiums. Further, Claimant and the Aggrieved Employees would often work at two or more base rates of pay in the same workweek. Yet, when the Aggrieved Employees worked overtime and worked at two or more base rates of pay in the same workweek, the Company illegally failed to pay overtime using the correct "weighted average" method.

Claimant was also not provided 30-minute meal periods, as mandated by California law, during employment with the Company, yet the Company did not pay all required wage premiums (including at the "regular rate" per § 226.7). As a result of the Company's policies and practices, as well as the hectic and demanding workload, Claimant was subjected to meal period violations when: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company [and also forced to record a meal period despite one not occurring, leading to unpaid wages described above], (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5$^{th}$ hour of work, and (5) not provided a mandated second meal period for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. Claimant was often not authorized and/or permitted to take mandated rest breaks. Furthermore, on occasions when Claimant worked 10 hours or more in a shift, the Company failed to authorize and/or permit the mandated additional rest breaks. The Company also frequently required Claimant and the Aggrieved Employees to combine rest breaks together rather than taking them separately "in the middle of each work period" as required by California law.

Also, the Company required Claimant and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited to, being required to use personal cell phones for Company purposes and also when the Aggrieved Employees were forced to supply tools and equipment to perform their tasks for the Company, such as power tools, drills, consumables such as drill bits and saw blades, among other similar items required to perform tasks for the Company.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, meal and rest break premiums, vacation wages, and the Company further failed to pay the Aggrieved Employees for mandated sick time at a rate "calculated in the same manner as the regular rate of pay" as required by Labor Code § 246.

Finally, during employment with the Company, Claimant received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimant alleges that he worked under the joint direction and control of the Company and the Owners and is informed and believes that each of them acted in all respects pertinent to this action as the

agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that the Company and the Owners acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, the Company and the Owners are an integrated enterprise and should be treated as a single employer because the Company and the Owners share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, the Company and the Owners share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimant alleges that the Owners are now and at all material times herein mentioned were the owners/officers of the Company, and Claimant's and the Aggrieved Employees' actual employer or, in the alternative, were individuals employed by the Company as a managerial and/or supervisory employee and/or agent. In addition, Claimant alleges that at all relevant times herein the Owners had the authority, in the interest of the Company to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimant and the Aggrieved Employees, and were in Claimant's chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimant's complaint herein. Claimant also alleges that the Company and the Owners are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, the Company and the Owners were acting in active concert with on another such that the acts of each were fully attributable to the other in all material respects.

Claimant also alleges that the Company was merely the alter ego of the Owners in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and the Owners exercised undue dominance, control, influence, and management over the Company. Claimant further alleges that, at all relevant times, the Company has been inadequately capitalized to conduct its business, has failed to follow appropriate corporate formalities, and has simply been a shell and instrumentality through which the Owners have conducted their personal affairs. Accordingly, the corporate veil should be pierced, and any liability attached to the Company should be imposed jointly and severally against the Owners. Adherence to the fiction of the separate existence of the corporate entity of the Company would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice.

Also, in a separate, but not necessarily mutually exclusive, alternative theory of liability, the Owners are liable for PAGA civil penalties under Labor Code § 558 as "other person(s)" who caused the violations regarding minimum wage among other claims. *See Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 ("if there is evidence and a finding that a party other than the employer 'violates, or causes to be violated' the overtime laws (§ 558(a)) or 'pays or causes to be paid to any employee' less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer"); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (holding the same).

Based on Claimant's own personal observations, all Aggrieved Employees employed or formerly employed by the Company are entitled to similar wage and hour claims, as further set forth below.\

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**PAGA ASSESSMENT FOR FAILURE TO PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 210, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimant and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, regular, overtime, and/or doubletime wages. Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS, REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that "[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission …" Labor Code § 512(a) states in pertinent part: "[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes […] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes." Section 12 of applicable IWC Wage Order states in pertinent part: "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof."

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company's policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee's regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

**PAGA ASSESSMENT FOR FAILURE TO PAY SICK TIME AT PROPER RATE OF PAY**

(Labor Code § 246)

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be "calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek." Additionally, Labor Code § 246(l)(2) states that the paid sick time must be "calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

Here, Claimant and the Aggrieved Employees were compensated on an hourly basis plus additional compensation. However, when Aggrieved Employees took sick time and received paid sick leave, the Company only paid sick time at the base rate of pay, not factoring in the additional compensation as required by Labor Code §§ 246(l)(1-2). As such, penalties may be assessed pursuant to Labor Code § 2699.

**PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES**
(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties. Labor Code § 2699 imposes a penalty upon the Company for each violation.

**PAGA ASSESSMENT FOR VIOLATION OF IWC WAGE ORDERS**
(Labor Code § 1174; IWC Wage Order § 6(A); IWC Wage Order § 7(A))

Labor Code § 1174 and the relevant IWC Wage Order required the Company to accurately record and maintain "each employee's "[t]ime records showing when the employee begins and ends each work period," the time that each meal period began and ended, daily hours worked, and total hours worked in the payroll period. The Company failed to comply with these requirements, triggering civil penalties under §§ 1174.5 and/or 2699 each period.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**
(Labor Code §§ 204, 204.1, 208, 210, 256 and 2699)

Under Labor Code § 204(a), wages are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period." As a result of the Company's failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 210 and/or 2699.

**PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES**
(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code § 202(a) states in pertinent part "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Labor Code § 203(a) states "If an employer willfully fails to pay, without abatement or reduction, […] any wages of an employee who is discharged or who quits, the wages of the

employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days."

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a "waiting time penalty." (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE, ITEMIZED WAGE STATEMENTS**
(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee's name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Here, the Company failed to provide accurate itemized wage statements due to violations including: failure to accurately state total hours worked (the paystubs failed to accurately reflect total compensable hours); failure to accurately state gross/net wages earned and all deductions (due to the failure to pay all required minimum/overtime and other wages); failure to state the applicable hourly rates (including the accurate overtime rate of pay); failure to state the accurate start/end dates of the pay period; failure to accurately state the name and address of the legal entity that is the employer, and; failure to accurately state the number of hours worked at each hourly rate. Additionally, the Company's wage statements directly violated Labor Code § 226(a) each period due to the underpayments alleged above and the failure to pay and report premium wages for denied meal/rest breaks under § 226.7. Accordingly, Labor Code §§ 226.3 and 2699 impose civil penalties for these violations.

**PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199**
(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to civil penalties in accordance with Labor Code § 2699.

**ATTORNEYS' FEES, INTEREST, AND PENALTIES**
(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

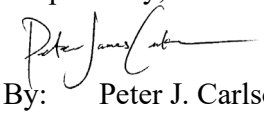
Labor Code § 2699(g)(1) gives employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimant seeks the assessment of penalties, including civil

penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimant is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to Labor Code § 218.5 and C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

## CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment or other employees of the Company, he reserves the right to supplement this notice letter.

Respectfully,



By: Peter J. Carlson, Esq.
E-mail: peter@lmlfirm.com

EXHIBIT “G”