

EXHIBIT 2

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MECHANICAL, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

ARMANDO HERNANDEZ, individually, and
on behalf of all others similarly situated,

Plaintiff,

vs.

B.A.C.C.O. MECHANICAL, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 23STCV31551

**FIRST AMENDED JOINT STIPULATION OF
CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT**

1 **FIRST AMENDED CLASS AND REPRESENTATIVE ACTION SETTLEMENT**

2 **AGREEMENT**

3 This First Amended Joint Stipulation of Class and Representative Action Settlement Agreement
4 (“Agreement” or “Settlement”) is made by and between Plaintiff Armando Hernandez (“Plaintiff”) and
5 Defendant B.A.C.C.O. Mechanical, Inc. (collectively, “the Parties”).

6 **1. DEFINITIONS.**

7 1.0. “Action” means *Armando Hernandez v. B.A.C.C.O. Mechanical, Inc.*, Superior Court of
8 the State of California, County of Los Angeles, Case No. 23STCV31551.

9 1.1. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity
10 the Parties have agreed to appoint to administer the Settlement.

11 1.2. “Administration Expenses Payment” means the court-approved amount the Administrator
12 will be paid from the Gross Settlement Amount to reimburse its reasonable fees and
13 expenses in accordance with the Administrator’s “not to exceed” bid submitted to the
14 Court in connection with Preliminary Approval of the Settlement.

15 1.3. “Class” or “Class Members” means all current and former hourly-paid, non-exempt, non-
16 union employees of Defendant in California employed during the Class Period.

17 1.4. “Class Counsel” means Moon Law Group, PC.

18 1.5. “Class Counsel Fees Payment” means the court-approved amount allocated to Class
19 Counsel for reimbursement of their reasonable fees incurred to prosecute the Action, not
20 to exceed 33⅓% of the Gross Settlement Amount.

21 1.6. “Class Counsel Expenses Payment” means the court-approved amount allocated to Class
22 Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action,
23 not to exceed \$25,000.00.

24 1.7. “Class Data” means Class Members’ names, last-known mailing addresses, available
25 Social Security numbers, and numbers of Workweeks and PAGA Pay Periods.

26 1.8. “Class Notice” means the court-approved Notice of Class and Representative Action
27 Settlement and Final Approval Hearing, to be mailed to Class Members in English and
28 Spanish, in a form substantially similar to the draft attached as **Exhibit A** and incorporated

by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original **Exhibit A**.

1.9. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.

1.10. “Class Period” means the period from December 26, 2019, through May 27, 2026.

1.11. “Class Representative” means the named Plaintiff in the Action, Armando Hernandez.

1.12. “Class Representative Service Payment” means the court-approved payment allocated to the Class Representative for his services in support of the Action, the benefits he helped bring about for the Class, and his General Release, not to exceed \$10,000.00.

1.13. “Court” means the Superior Court of the State of California, County of Los Angeles.

1.14. “Defendant” means the named Defendant, B.A.C.C.O. Mechanical, Inc.

1.15. “Defense Counsel” means Constangy, Brooks, Smith & Prophete, LLP.

1.16. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Final Approval Order; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Member(s) objects to the Settlement, the day after the deadline for filing a notice for appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.17. “Final Approval Order” means the Court’s Order Granting Final Approval of the Settlement.

1.18. “Final Approval Hearing” means the Court’s Hearing on Plaintiff’s Motion for Final Approval of the Settlement.

1.19. “Gross Settlement Amount” means \$925,000.00, the total non-reversionary amount

Defendant agrees to pay under the Settlement, except as provided in Sections 3.0 and 7.0 below. The Gross Settlement Amount will pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, the Class Representative Service Payment, and the Administration Expenses Payment.

1.20. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the PAGA Settlement Penalties calculated according to the number of PAGA Pay Periods he or she worked during the PAGA Period.

1.21. “Individual Class Payment” means a Participating Class Member’s *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks he or she worked during the Class Period, calculated solely and exclusively to effectuate Settlement of this Action.

1.22. “Judgment” means the Judgment entered by the Court based upon the Final Approval Order.

1.23. “LWDA” means the California Labor and Workforce Development Agency.

1.24. “LWDA PAGA Payment” means 75% of the PAGA Settlement Penalties paid to the LWDA under Labor Code § 2699(i).

1.25. “Mediation Date” shall mean and refer to the mediation held between the Parties with mediator Tripper Ortman, Esq. on July 7, 2025.

1.26. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, the Class Representative Service Payment, the Class Counsel Fees Payment, the Class Counsel Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.27. “Non-Participating Class Member” means a Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

- 1.28. “Operative Complaint” means the First Amended Class and PAGA Representative Action Complaint filed in this Action on March 14, 2024.
- 1.29. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.30. “PAGA Period” means the period from December 25, 2022, through May 27, 2026.
- 1.31. “PAGA” means the Private Attorneys General Act, Labor Code §§ 2698, *et seq.*
- 1.32. “PAGA Group” means all current and former hourly-paid, non-exempt, non-union employees of Defendant in California employed during the PAGA Period (“Aggrieved Employee(s)”).
- 1.33. “PAGA Notice” means Plaintiff’s December 25, 2023 Notice of California Labor Code Violations and PAGA Penalties, sent to Defendant and submitted to the LWDA pursuant to California Labor Code § 2699.3(a).
- 1.34. “PAGA Penalties” means the total amount of civil penalties to be paid from the Gross Settlement Amount in settlement of the Released PAGA Claims, not to exceed \$50,000.00, allocated 25% to the Aggrieved Employees (\$12,500.00) and 75% to LWDA (\$37,500.00), calculated solely and exclusively to effectuate Settlement of this Action, and for no other reason or purpose.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.
- 1.36. “Plaintiff” means the named Plaintiff in the Action, Armando Hernandez.
- 1.37. “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Class portion of the Settlement.
- 1.38. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Administrator.
- 1.39. “Released Class Claims” means the claims being released as described in Section 5.1.
- 1.40. “Released PAGA Claims” means the claims being released as described in Section 5.2.
- 1.41. “Released Parties” means: Defendant B.A.C.C.O. Mechanical, Inc., and Defendant’s

1 affiliates, auxiliary organizations, subsidiaries, predecessors, successors, assigns, parent
2 organizations, related organizations, owners, executives, partners, trustees, shareholders,
3 administrators, officers, directors, managers, agents, insurers, employers former
4 employees, representatives, and attorneys, past or present, and all persons acting under,
5 by, through, or in concert with any of the foregoing.

6 1.42. “Request for Exclusion” means a Class Member’s written request to be excluded from the
7 Class portion of the Settlement.

8 1.43. "Response Deadline" means forty-five (45) calendar days after the Administrator mails
9 the Class Notice to Class Members and Aggrieved Employees and the last date on which
10 Class Members may: (a) fax, email, or mail a Request for Exclusion from the Class portion
11 of the Settlement, or (b) fax, email, or mail a written Objection to the Settlement. The
12 Response Deadline for Class Members to whom Class Notices are resent after having
13 been returned undeliverable to the Administrator shall be extended by ten (10) calendar
14 days beyond the original Response Deadline.

15 1.44. “Workweek” means any week during which a Participating Class Member worked for
16 Defendant at least one day during the Class Period.

17 **2. RECITALS.**

18 2.0. On December 26, 2023, Plaintiff commenced this Action by filing a Complaint alleging
19 causes of action against Defendant for: (1) Failure to Pay Minimum Wages (Cal. Lab.
20 Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Compensation (Cal.
21 Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§
22 226.7 and 512); (4) Failure to Authorize and Permit Rest Breaks (Cal. Lab. Code § 226.7);
23 (5) Failure to Indemnify Necessary Business Expenses (Cal. Lab. Code § 2802); (6)
24 Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201–203); (7)
25 Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); and (8)
26 Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*).

27 2.1. On March 14, 2024, Plaintiff filed the First Amended Complaint against Defendant
28 adding a cause of action for civil penalties under PAGA (the “Operative Complaint”).

Defendant denies the allegations in the Operative Complaint, denies any failure to comply with any laws, including, but not limited to, the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged in the Operative Complaint.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On July 7, 2025, the Parties participated in an all-day mediation presided over by experienced wage-and-hour mediator, Tripper Ortman, Esq., which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, electronic time and pay records, policy documents, and data about Plaintiff, Class Members, and the PAGA Group. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

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

3. **MONETARY TERMS.**

3.0. Gross Settlement Amount. Except as otherwise provided by Section 7.0 below, Defendant will pay \$925,000.00, and no more, as the Gross Settlement Amount and will separately pay all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount or any payroll taxes prior to the deadline stated in Section 4.0 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit a claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

1 3.1. Payments from the Gross Settlement Amount. The Administrator will make and deduct
2 the following payments from the Gross Settlement Amount, in the amounts specified by
3 the Court in the Final Approval Order:

4 3.1.1. To Plaintiff: A Class Representative Service Payment to the Class Representative
5 of not more than \$10,000.00 (in addition to any Individual Class Payment and
6 Individual PAGA Payment the Class Representative is entitled to receive as a
7 Participating Class Member). Defendant will not oppose Plaintiff's request for a
8 Class Representative Service Payment that does not exceed this amount. Plaintiff
9 and/or Class Counsel will file a Motion supporting the Class Representative
10 Service Payment no later than sixteen (16) court days before the Final Approval
11 Hearing. If the Court approves of a Class Representative Service Payment that is
12 less than the amount requested, the Administrator will retain the remainder in the
13 Net Settlement Amount. The Administrator will pay the Class Representative
14 Service Payment using IRS Form 1099. Plaintiff shall be solely and legally
15 responsible for paying any applicable taxes on this payment and shall hold
16 Released Parties harmless from any claim or liability for taxes, penalties, or
17 interest arising as a result of the payment. Defendant makes no representations as
18 to the tax treatment or legal effect of the payment called for herein, and Plaintiff
19 is not relying on any statement or representation by Defendant or its counsel in
20 this regard.

21 3.1.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33⅓% of the
22 Gross Settlement Amount, which is currently estimated to be \$308,333.33, and a
23 Class Counsel Expenses Payment of not more than \$25,000.00. Defendant will
24 not oppose requests for these payments provided that they do not exceed these
25 amounts. Plaintiff and/or Class Counsel will file a Motion for Class Counsel Fees
26 Payment and Class Expenses Payment no later than sixteen (16) court days prior
27 to the Final Approval Hearing. If the Court approves a Class Counsel Fees
28 Payment and/or Class Counsel Expenses Payment less than the amounts

requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.1.3. To the Administrator: An Administration Expenses Payment not to exceed \$9,000.00, except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less, or the Court approves payment less than \$9,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.1.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.1.4.1. Tax Allocation of Individual Class Payments. Fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Eighty-five percent (85%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and

liability for any employee taxes owed on their Individual Class Payment.

3.1.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members.

3.1.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments.

3.1.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.0. Funding of Gross Settlement Amount. The Gross Settlement Amount shall be fully funded by transmission of such funds to the Administrator across two payments, with the first payment due nine (9) months after the Mediation Date, or at the time of final approval, whichever is later. The second payment, which shall also include all employer payroll taxes owed on the Wage Portions of the Individual Class Payments shall be due nine (9) months after the first payment.

1 4.1. Payments from the Gross Settlement Amount. No later than fourteen (14) calendar days
2 after Defendant funds the entire Gross Settlement Amount, the Administrator shall mail
3 checks for the Individual Class Payments, Individual PAGA Payments, LWDA PAGA
4 Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class
5 Representative Service Payment, and Administration Expenses Payment. Disbursement
6 of the Class Counsel Fees Payment, Class Counsel Expenses Payment, and Class
7 Representative Service Payment shall not precede disbursement of the Individual Class
8 Payments and Individual PAGA Payments.

9 4.1.1. The Administrator will issue checks for the Individual Class Payments and/or
10 Individual PAGA Payments and send them to the Class Members via First Class
11 U.S. Mail with postage prepaid. Before mailing any checks, the Administrator
12 must update the recipient's mailing addresses using the National Change of
13 Address Database. The face of each check shall prominently state the date the
14 check will be voided. Each check will be voided 180 days after the date of mailing
15 ("void date"). The Administrator will cancel all checks not cashed by the void
16 date. The Administrator will send checks for Individual Class Payments to all
17 Participating Class Members, including those for whom a Class Notice was
18 returned undelivered. The Administrator will send checks for Individual PAGA
19 Payments to all Aggrieved Employees, including Non-Participating Class
20 Members who qualify as Aggrieved Employees and those for whom a Class
21 Notice was returned undelivered. The Administrator may send Participating
22 Class Members a single check combining the Individual Class Payment and
23 Individual PAGA Payment.

24 4.1.2. No later than seven (7) calendar days after receiving a returned check, the
25 Administrator must re-mail checks to the USPS forwarding address provided or
26 to an address ascertained through the Class Member Address Search for Class
27 Members whose checks are returned undelivered without a USPS forwarding
28 address. Thereafter, the Administrator need not take further steps to deliver

1 checks to Class Members whose re-mailed checks are returned as undelivered.
2 However, the Administrator shall promptly send a replacement check to any
3 Class Member whose original check was lost or misplaced and who requests the
4 replacement before the void date.

5 4.1.3. For any Class Member whose Individual Class Payment check or Individual
6 PAGA Payment check is uncashed and cancelled after the void date, or for any
7 Class Member whose envelope is returned and no forwarding address can be
8 located for the Class Member after reasonable efforts have been made, the
9 Administrator shall transmit the funds represented by such checks in the name of
10 the Class Member, to the State of California's Unclaimed Property Division.

11 4.1.4. The payment of Individual Class Payments and Individual PAGA Payments shall
12 not obligate Defendant to confer any additional benefits or make any additional
13 payments to Class Members, such as 401(k) contributions or bonuses, beyond
14 those specified in this Agreement. Rather, it is the Parties' intention that this
15 Agreement will not affect any rights, contributions, or amounts to which any Class
16 Members may be entitled under any benefit plans.

17 **5. RELEASES OF CLAIMS.**

18 Effective on the date Defendant fully funds the entire Gross Settlement Amount and separately
19 pays all employer payroll taxes, Plaintiff, Participating Class Members, and Aggrieved Employees will
20 release claims against the Released Parties as follows:

21 5.0. Plaintiff's Release. Plaintiff, Plaintiff fully and finally releases and discharges the
22 Released Parties from any and all charges, complaints, claims, and liabilities of any kind
23 or nature whatsoever, known or unknown, suspected or unsuspected ("claim(s)") which
24 Plaintiff, at any time heretofore, had or claimed to have or which Plaintiff may have or
25 shall in the future claim to have, including, without limitation, any and all claims related
26 or in any manner incidental to Plaintiff's employment. Plaintiff understands he is
27 releasing potentially unknown claims, and that Plaintiff may have limited knowledge with
28 respect to some of the claims being released. Plaintiff acknowledges there is a risk that,

1 after signing this agreement, Plaintiff may learn information that might have affected
2 Plaintiff's decision to enter into this Agreement. Plaintiff assumes this risk and all other
3 risks of any mistake in entering into this Agreement. Plaintiff agrees that this Agreement
4 is fairly and knowingly made. Plaintiff represents and warrants that Plaintiff has all
5 necessary authority to enter into this Agreement and that Plaintiff has not transferred any
6 interest in any claims to any spouse or to any other third party.

7 5.0.1. The Parties understand the word "claim(s)" to include all actions, complaints,
8 claims, and grievances, whether actual or potential, known or unknown, and
9 specifically but not exclusively, all claims arising out of Plaintiff's employment
10 with Defendant, including, but not limited to, any and all claims under the
11 California Fair Employment and Housing Act, the Age Discrimination in
12 Employment Act, Title VII or any other statute, rule or regulation relating to
13 Plaintiff's employment with Defendant and under which Plaintiff has made a
14 claim or could make a claim against Defendant (collectively, "Plaintiff's Released
15 Claims"). Plaintiff's Released Claims shall not waive: (i) claims for unemployment
16 or workers' compensation benefits; (ii) any vested rights Plaintiff has under ERISA-
17 covered benefit plans as applicable on the date Plaintiff signs this Agreement, and/or
18 claims concerning such rights; (iii) claims that may arise after Plaintiff signs this
19 Agreement; or (iv) claims which cannot be released by private agreement.

20 5.0.2. Plaintiff's Section 1542 Waiver: For purposes of Plaintiff's General Release,
21 Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if
22 any of section 1542 of the California Civil Code, which reads:

23 **A general release does not extend to claims that the creditor**
24 **or releasing party does not know or suspect to exist in his or**
25 **her favor at the time of executing the release, and that if**
26 **known by him or her would have materially affected his or**
27 **her settlement with the debtor or Released Party.**

28 5.1. Release by Participating Class Members: All Participating Class Members fully and
finally release and discharge the Released Parties from any and all claims, debts,

liabilities, demands, obligations, penalties, costs, expenses, attorney's fees, damages, and causes of action that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint. This release includes, without limitation, a release of all claims alleged in the Operative Complaint for alleged failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to pay all unpaid wages at termination, failure to provide accurate itemized wage statements, violation of California Business and Professions Code §§ 17200, *et seq.*, and statutory waiting time penalties based on the foregoing (collectively, the "Released Class Claims").

5.2. Release by Aggrieved Employees: All Aggrieved Employees fully and finally release and discharge the Released Parties from any and all claims for civil penalties, and attorneys' fees and costs, under PAGA that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint or PAGA Notice, including, but not limited to, failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to pay all unpaid wages at termination, and failure to provide accurate itemized wage statements (collectively, the "Released PAGA Claims").

5.2.1. The Released PAGA Claims are limited to claims arising during the PAGA Period and do not release any Aggrieved Employees' claims for wages or statutory penalties. In light of the binding nature of a PAGA judgment on non-party employees under *Arias v. Sup. Ct. (Angelo Dairy)*, 46 Cal. 4th 969 (2009) and *Cardenas v. McLane Foodservice, Inc.*, 796 F. Supp. 2d 1246 (2011), individuals otherwise meeting the definition of an Aggrieved Employee who are eligible to receive an Individual PAGA Payment shall be deemed to have released the Released PAGA Claims, regardless of whether his or her check for the Individual PAGA Payment is cashed or not, and regardless of whether he or she is a Non-Participating Class Member.

1 **6. SETTLEMENT ADMINISTRATION.**

2 6.0. Selection of Administrator. The Parties have jointly selected Phoenix Class Action
3 Administration Solutions to serve as the Administrator and verified that, as a condition of
4 appointment, Phoenix Class Action Administration Solutions, agrees to be bound by this
5 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
6 exchange for the Administration Expenses Payment. The Parties and their Counsel
7 represent that they have no interest or relationship, financial or otherwise, with the
8 Administrator other than a professional relationship arising out of prior experiences
9 administering settlements.

10 6.1. Class Data. No later than fourteen (14) calendar days after the Court grants Preliminary
11 Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in
12 the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
13 Administrator must maintain the Class Data in confidence, use the Class Data only for
14 purposes of the Settlement and for no other purpose, and restrict access to the Class Data
15 to Administrator employees who need access to the Class Data to effect and perform under
16 the Settlement. Defendant has a continuing duty to immediately notify Class Counsel if it
17 discovers that the Class Data omitted Class Member identifying information and to provide
18 corrected or updated Class Data as soon as reasonably feasible. Without any extension of
19 the deadline by which Defendant must send the Class Data to the Administrator, the
20 Parties, and their counsel will expeditiously use best efforts, in good faith, to reconstruct
21 or otherwise resolve any issues related to missing or omitted Class Data.

22 6.2. Notice of Receipt of Class Data. No later than three (3) business days after receipt of the
23 Class Data, the Administrator shall notify Class Counsel that the list has been received and
24 state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay
25 Periods in the Class Data.

26 6.3. Notice to Class Members. No later than fourteen (14) calendar days after receiving the
27 Class Data from Defendant, the Administrator will send all Class Members identified in
28 the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice

1 in English and Spanish, substantially in the form attached to this Agreement as **Exhibit A**.
2 The first page of the Class Notice shall prominently estimate the dollar amounts of any
3 Individual Class Payment and/or Individual PAGA Payments payable to the Class
4 Member and/or Aggrieved Employee, and the number of Workweeks and PAGA Pay
5 Periods used to calculate these amounts. Before mailing Class Notices, the Administrator
6 shall update Class Member addresses using the National Change of Address database.

7 6.4. Remailing of Class Notice. No later than three (3) business days after its receipt of any
8 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the
9 Class Notice using any forwarding address provided by USPS. If USPS does not provide
10 a forwarding address, the Administrator shall conduct a Class Member Address Search
11 and re-mail the Class Notice to the most current address obtained. The Administrator has
12 no obligation to make further attempts to locate or send the Class Notice to Class Members
13 whose Class Notice is returned by USPS a second time.

14 6.4.1. The deadlines for Class Members' Objections, Challenges to Calculation of
15 Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be
16 extended an additional fourteen (14) calendar days beyond the sixty (60) calendar
17 days otherwise provided in the Class Notice for all Class Members whose notice
18 is re-mailed. The Administrator will inform the Class Member of the extended
19 deadline with the re-mailed Class Notice.

20 6.4.2. If the Administrator, Defendant, Defense Counsel, or Class Counsel are contacted
21 by or otherwise discovers any persons who believe they should have been included
22 in the Class Data and should have received Class Notice, the Parties will
23 expeditiously meet and confer in person or by telephone, and in good faith, to agree
24 on whether to include them as Class Members. If the Parties agree, such person(s)
25 will be Class Members entitled to the same rights as other Class Members, and the
26 Administrator will send, via email or overnight delivery, a Class Notice requiring
27 them to exercise options under this Agreement no later than fourteen (14) calendar
28 days after receipt of the Class Notice, or the deadline in the Class Notice,

1 whichever is later.

2 6.5. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly
3 review Requests for Exclusion on a rolling basis to ascertain their validity and timeliness.
4 No later than five (5) days after the expiration of the deadline for submitting Requests for
5 Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel
6 containing the names and other identifying information of Class Members who have
7 submitted Requests for Exclusion, regardless of whether the requests are valid and timely
8 (“Exclusion List”); and (b) copies of all Requests for Exclusion submitted, regardless of
9 whether the requests are valid and timely.

10 6.6. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to
11 Class Counsel and Defense Counsel that tally the number of Class Notices mailed or re-
12 mailed, Class Notices returned undelivered, Requests for Exclusion received (whether
13 valid or invalid), Objections received, Challenges to Workweeks and/or PAGA Pay
14 Periods received and/or resolved, and checks mailed for Individual Class Payments and
15 Individual PAGA Payments (“Weekly Report”). The Weekly Reports must attach copies
16 of all Requests for Exclusion and Objections received.

17 6.7. Administrator’s Declaration. No later than seven (7) business days after the Response
18 Deadline, the Administrator will provide Class Counsel and Defense Counsel a signed
19 declaration suitable for filing in Court attesting to (i) its due diligence and compliance with
20 all of its obligations under this Agreement, including, but not limited to, its mailing of the
21 Class Notice, (ii) the total number of Class Notices returned as undelivered, (iii) the total
22 number of re-mailed Class Notices, (iv) its attempts to locate Class Members, (v) the total
23 number of Requests for Exclusion received (valid or invalid), (vi) the total number of
24 Objections received (valid or invalid), (vii) the total number of Participating Class
25 Members and Workweeks, (viii) the total number of Aggrieved Employees and PAGA
26 Pay Periods, and (ix) the lowest, average, and highest Individual Class Payment and
27 Individual PAGA Payment. The Administrator will supplement its declaration as needed
28 or requested by the Parties and/or the Court. Class Counsel is responsible for filing the

1 Administrator's declaration(s) in Court.

2 6.8. Final Report by Settlement Administrator. No later than fourteen (14) calendar days after
3 the Administrator disburses all funds in the Gross Settlement Amount, the Administrator
4 will provide Class Counsel and Defense Counsel with (i) a final report detailing its
5 disbursements by employee identification number only of all payments made under this
6 Agreement, and (ii) a signed declaration suitable for filing in Court attesting to its
7 disbursement of all payments required under this Agreement. Class Counsel is responsible
8 for filing the Administrator's declaration in Court.

9 6.9. Employer Identification Number. The Administrator shall have and use its own Employer
10 Identification Number for purposes of calculating payroll tax withholdings and providing
11 reports to state and federal tax authorities.

12 6.10. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
13 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
14 § 468B-1.

15 6.11. Website, Email Address, and Toll-Free Number. The Administrator will establish,
16 maintain, and use an internet website to post information of interest to Class Members
17 including the date, time, and location of the Final Approval Hearing and copies of the
18 Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval, Class
19 Notice, Motion for Final Approval, and Final Approval and Judgment. The Administrator
20 will also maintain and monitor an email address and toll-free telephone number to receive
21 Class Member calls, faxes, and emails.

22 6.12. Class Members' Options.

23 6.12.1. Requests for Exclusion (Opt-Outs). Each Class Member shall have forty-five (45)
24 calendar days after the Administrator mails the Class Notice (plus an additional
25 ten (10) calendar days for Class Members whose Class Notice is re-mailed) to
26 exclude themselves from the Settlement. A Class Member may exclude himself
27 or herself from the Settlement by mailing a Request for Exclusion to the
28 Administrator. The Request for Exclusion must be valid and timely. To be valid,

the Request for Exclusion must (1) include the Class Member's full name, address, telephone number, and signature, and a written statement requesting to be excluded from the Settlement; (2) state the case name and number of the Action; and (3) be mailed to the specified physical address of the Administrator. To be timely, the Request for Exclusion must be postmarked no later than the Response Deadline. The postmark date will be the exclusive means of determining whether a Request for Exclusion has been timely submitted. A Class Member who does not submit a valid and timely Request for Exclusion will be deemed a Participating Class Member and will be bound by all terms of the Settlement if it is granted Final Approval. If a Class Member's Request for Exclusion is timely but invalid, according to the requirements listed herein, that Class Member will be allowed to cure the defect(s). The Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b) fourteen (14) calendar days from the date of the cure letter, whichever date is later, to postmark the revised Request for Exclusion. The Administrator, Class Counsel, and Defense Counsel may attempt to resolve any Class Member disputes on the validity or timeliness of a Request for Exclusion. However, the Court has the final authority to make decisions consistent with the terms of this Agreement on the validity or timeliness of a Request for Exclusion. The Court's decision shall be final and not appealable or otherwise susceptible to challenge.

6.12.1.1. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.1 of this Agreement, regardless of whether the

1 Participating Class Member actually receives the Class Notice or objects
2 to the Settlement.

3 6.12.1.2. Every Class Member who submits a valid and timely Request for Exclusion
4 is a Non-Participating Class Member and shall not receive an Individual
5 Class Payment or have the right to object to the class action components of
6 the Settlement. Non-Participating Class Members who are Aggrieved
7 Employees are deemed to release the claims identified in Paragraph 5.2 of
8 this Agreement and are eligible for an Individual PAGA Payment.

9 6.12.2. Challenges to Calculation of Workweeks. Each Class Member shall have forty-
10 five (45) calendar days after the Administrator mails the Class Notice (plus an
11 additional ten (10) calendar days for Class Members whose Class Notice is re-
12 mailed) to challenge the number of Workweeks and/or PAGA Pay Periods
13 allocated to the Class Member and/or Aggrieved Employee in the Class Notice. A
14 Class Member and/or Aggrieved Employee may challenge the allocation by
15 sending a Challenge to Calculation of Workweeks and/or Pay Periods to the
16 Administrator. The Challenge to Calculation of Workweeks and/or Pay Periods
17 must be timely. To be timely, the Challenge to Calculation of Workweeks and/or
18 Pay Periods must be postmarked no later than the Response Deadline. The
19 postmark date will be the exclusive means of determining whether a Challenge to
20 Calculation of Workweeks and/or Pay Periods has been timely submitted. The
21 Administrator must encourage the challenging Class Member to submit supporting
22 documentation. In the absence of any contrary documentation, the Administrator
23 is entitled to presume that the Workweeks contained in the Class Notice are correct
24 so long as they are consistent with the Class Data. The Administrator shall
25 promptly provide copies of all Challenges to Calculation of Workweeks and/or Pay
26 Periods to Defense Counsel and Class Counsel. The Administrator, Class Counsel,
27 and Defense Counsel may attempt to resolve all Class Member challenges over the
28 calculation of Workweeks and/or Pay Periods.

6.12.3. Objections to Settlement. Each Participating Class Members shall have forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional ten (10) calendar days for Class Members whose Class Notice is re-mailed) to object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Expenses Payment and/or Class Representative Service Payment. Only Participating Class Members may send written Objections to the Administrator. A Participating Class Member may object to the Settlement by (1) appearing at the Final Approval Hearing and verbally objecting to the Settlement or any term thereof; and/or (2) sending a written Objection to the Administrator. The written Objection must be valid and timely. To be valid, the written Objection must (1) include the Class Member's full name, address, telephone number, and signature, the contact information for any attorney representing the objecting Class Member, if any, and the factual and legal bases for the Objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence; (2) state the case name and number of the Action; and (3) be mailed to the specified physical address of the Administrator. To be timely, the written Objection must be postmarked no later than the Response Deadline. The postmark date will be the exclusive means of determining whether a written Objection has been timely submitted. The Administrator, Class Counsel, and Defense Counsel may attempt to resolve any Class Member disputes on the validity or timeliness of a written Objection. However, the Court has the authority to make final decisions consistent with the terms of this Agreement on the validity or timeliness of a written Objection. The Court's decision shall be final and not appealable or otherwise susceptible to challenge.

7. ESCALATOR CLAUSE

7.0. At the time of mediation, the Parties estimated that there were 23,000 Workweeks during

the period from December 26, 2019, to July 7, 2025. The Parties previously agreed that, if the number of Workweeks exceeded the estimate by more than 15%, Defendant would either (a) increase the Gross Settlement Amount on a proportional basis by the amount by which it exceeded 15%, or (b) modify the Class Period end date to a date certain to avoid such increase.

7.1. The Parties have completed their review and confirm that the total number of Workweeks during the Class Period does not exceed the estimated Workweeks by more than 15%. Accordingly, the 15% threshold has not been triggered, and no increase to the Gross Settlement Amount is required. The Class Period ends on May 27, 2026, as set forth in this Agreement.

8. DEFENDANT'S RIGHT TO WITHDRAW.

8.0. If the number of valid and timely Requests for Exclusion exceeds ten percent (10%) of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. If Defendant elects to withdraw from the Settlement, Defendant must meet and confer with Class Counsel no later than fourteen (14) calendar days after expiration of the Response Deadline, and Defendant will be responsible for paying all settlement administration expenses incurred to that point. Further, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement, except as provided in this Paragraph.

9. FINAL APPROVAL.

9.0. Motion for Final Approval. No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(s)(2) and a [Proposed] Final Approval Order and Judgment.

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

1 9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval
2 on any material change to the Settlement, including, but not limited to, the scope of release
3 to be granted by Class Members, the Parties will expeditiously work together in good faith
4 to address the Court's concerns by revising the Agreement as necessary to obtain Final
5 Approval. The Court's decision to award less than the amounts requested for the Class
6 Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service
7 Payment, and/or Administration Expenses Payment shall not constitute a material
8 modification to the Agreement within the meaning of this Paragraph.

9 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of the Final
10 Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely
11 for purposes of (i) enforcing the Agreement and/or Judgment, (ii) addressing settlement
12 administration matters, and (iii) addressing such post-Judgment matters as are permitted
13 by law.

14 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
15 conditions of this Agreement, specifically including the Class Counsel Fees and Class
16 Counsel Expenses Payments set forth in this Agreement, the Parties, their respective
17 counsel, and all Participating Class Members waive all rights to appeal from the Judgment,
18 including all rights to post-judgment and appellate proceedings, the right to file motions to
19 vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of
20 appeal does not include any waiver of the right to oppose such motions, writs, or appeals.
21 If an objector appeals the Judgment, the Parties' obligations to perform under this
22 Agreement will be suspended until the appeal is finally resolved and the Judgment
23 becomes final, except as to matters that do not affect the amount of the Net Settlement
24 Amount.

25 9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
26 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
27 material modification of this Agreement (including, but not limited to, the scope of release
28 to be granted by Class Members), the Parties shall expeditiously work together in good

1 faith to address the appellate court's concerns and to obtain Final Approval and entry of
2 Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably
3 incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's
4 award of the Class Representative Service Payment or any payments to Class Counsel
5 shall not constitute a material modification of the Judgment within the meaning of this
6 Paragraph, as long as the Gross Settlement Amount remains unchanged.

7 9.6. Failure to Approve. If the Court does not approve, either preliminarily or finally, any
8 material term or condition of the Settlement Agreement, or if the Court effects a material
9 change, then this Agreement will be voidable and unenforceable, subject to the Parties'
10 agreement to the contrary, and the costs of administration shall be split equally between the
11 Plaintiff, on one side, and Defendant, on the other.

12 **10. AMENDED JUDGMENT.**

13 10.0. If any amended judgment is required under Code of Civil Procedure § 384, the Parties
14 will work together in good faith to jointly submit a proposed amended judgment.

15 **11. ADDITIONAL PROVISIONS.**

16 11.0. Entire Agreement. This Agreement and the attached **Exhibit A** constitute the entirety of
17 the Parties' settlement terms.

18 11.1. No Admission of Liability. The Parties enter into this Agreement to resolve the dispute
19 that has arisen between them and to avoid the burden, expense, and risk of continued
20 litigation. In entering into this Agreement, Defendant does not admit, and specifically
21 denies, it has violated any federal, state, or local law; violated any regulations or guidelines
22 promulgated pursuant to any statute or any other applicable laws, regulations, or legal
23 requirements; breached any contract; violated or breached any duty; engaged in any
24 misrepresentation or deception; or engaged in any other unlawful conduct concerning their
25 employees. Neither this Agreement, nor any of its terms or provisions, nor any of the
26 negotiations connected with it, shall be construed as an admission or concession by
27 Defendant of any such violations or failures to comply with any applicable law. Except as
28 necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its

terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. If Final Approval does not occur, the Parties agree that this Agreement is void but remains protected by California Evidence Code section 1152.

11.2. Class Certification or Representative Manageability for Other Purposes. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Action, Plaintiff reserves the right to move for class certification on any grounds available, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with any litigation, except for proceedings to enforce or effectuate the Settlement and this Agreement.

11.3. No Press Releases/Advertisements. Neither Plaintiff nor Plaintiff's Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written, or electronic (including the World Wide Web), to say the Class Action has been resolved and that Plaintiff and Class Counsel are satisfied with the Settlement terms. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to: (1) as required by law; (2) as required under the terms of the Settlement; and/or (3) as required under counsel's duties and responsibilities as Class Counsel. This Settlement shall not be advertised or mentioned on any source, including Plaintiff's Counsel's personal or firm website.

1 11.4. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
2 Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at
3 this Agreement after arm's-length negotiations and in the context of adversarial litigation,
4 taking into account all relevant factors, present and potential. The Parties further
5 acknowledge that they are each represented by competent counsel and that they have had
6 an opportunity to consult with their counsel regarding the fairness and reasonableness of
7 this Settlement.

8 11.5. No Solicitation. The Parties separately agree that they and their respective counsel and
9 employees will not solicit any Class Member to opt out of or object to the Settlement, or
10 appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class
11 Counsel's ability to communicate with Class Members in accordance with Class Counsel's
12 ethical obligations owed to Class Members.

13 11.6. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement,
14 together with its attached Exhibit, shall constitute the entire agreement between the Parties
15 relating to the Settlement, superseding any and all oral representations, warranties,
16 covenants, or inducements made to or by any Party.

17 11.7. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
18 represent that they are authorized by Plaintiff and Defendant, respectively, to take all
19 appropriate action required or permitted to be taken by such Parties pursuant to this
20 Agreement to effectuate its terms, and to execute any other documents reasonably required
21 to effectuate the terms of this Agreement including any amendments to this Agreement.

22 11.8. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the
23 Court will first attempt to construe the provision as valid to the fullest extent possible
24 consistent with applicable precedents to define all provisions of this Agreement as valid
25 and enforceable.

26 11.9. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to
27 exercise a right or remedy by any of the Parties hereto will be considered to imply or
28 constitute a further waiver by such party of the same or any other condition, covenant,

right, or remedy.

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

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

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

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

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

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

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

11.17. Confidentiality. To the extent permitted by law, all agreements made, and orders entered

during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.18. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

11.21. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

Kane Moon (SBN 249834)

E-mail: kmoon@moonlawgroup.com

Jacquelyne VanEmmerik (SBN 339338)

E-mail: jvanemmerik@moonlawgroup.com

Nichelle Christopherson (SBN 349221)

E-mail: nchristopherson@moonlawgroup.com

MOON LAW GROUP, PC

725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

To Defendant:

Constangy, Brooks, Smith & Prophete, LLP

Guillermo A. Escobedo
Arcelia N. Magaña
Ariel F. Valerio-Meek
550 West C Street, Suite 1400
San Diego, CA 92101
gescobedo@constangy.com
anmagana@constangy.com
avalerio-meek@constangy.com

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

11.23. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, intend that this Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. Plaintiff, and not his representative(s), must personally execute this Agreement. An authorized officer of Defendant must execute this Agreement on behalf of Defendant. This Agreement shall become binding and enforceable pursuant to California Code of Civil Procedure section 664.6.

11.24. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330

1 to extend the date to bring a case to trial under CCP section 583.310 for the entire period
2 of this settlement process.

3 *[Signatures on the following page.]*
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Plaintiff & Settlement Representative:

Dated: 4/1/2026

By: _____

Armando Hernandez

DocuSigned by:

Armando Carrasco Hernandez

E0AAE53EC899485

Plaintiff's Counsel:

Dated: 4/1/2026

MOON LAW GROUP, PC

By: _____

Kane Moon
Jacquelyne VanEmmerik
Nichelle Christopherson

Attorneys for Plaintiff

Defendant:

Dated:

B.A.C.C.O. Mechanical, Inc.

By: _____

Print Name

Signature

Title

Defendant's Counsel:

Dated:

**CONSTANGY, BROOKS, SMITH & PROPHETE,
LLP**

By: _____

Guillermo A. Escobedo
Arcelia N. Magaña
Ariel F. Valerio-Meek

Attorneys for Defendant

1 **Plaintiff & Settlement Representative:**

2 Dated:

By: _____

Armando Hernandez

4 **Plaintiff's Counsel:**

5 Dated:

MOON LAW GROUP, PC

7 By: _____

Kane Moon
Jacquelyne VanEmmerik
Nichelle Christopherson

Attorneys for Plaintiff

10 **Defendant:**

11 Dated: March 31, 2026

B.A.C.C.O. Mechanical, Inc.

13 By: _____

Jeffery S. McGowan

Print Name

[Signature]

Signature

President

Title

19 **Defendant's Counsel:**

20 Dated: March 31, 2026

**CONSTANGY, BROOKS, SMITH & PROPHEDE,
LLP**

22 By: _____

[Signature]

Guillermo A. Escobedo
Arcelia N. Magaña
Ariel F. Valerio-Meek

Attorneys for Defendant

EXHIBIT A

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

PLEASE READ THIS NOTICE

In the class and representative action entitled *Armando Hernandez v. B.A.C.C.O. Mechanical, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV31551 (“Action”), Plaintiff Armando Hernandez (“Plaintiff”) alleges Defendant B.A.C.C.O Mechanical, Inc. (“Defendant”) violated several provisions of the California Labor Code and California Business and Professions Code, and owes civil penalties to the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees (defined below) under the Private Attorneys General Act, California Labor Code sections 2699, *et seq.* (“PAGA”). Defendant denies any liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

However, in the interest of avoiding further litigation and the costs and uncertainties associated with further litigation, Plaintiff and Defendant have executed a First Amended Joint Stipulation of Class and Representative Action Settlement Agreement (“Settlement”), which has been preliminarily approved by the Court. By agreeing to the Settlement, Defendant in no way admits any violation of law and expressly denies any liability to Plaintiff or others.

You are subject to the terms of the Settlement because you have been identified by Defendant’s records as a Class Member and/or Aggrieved Employee. “Class Members” means all current and former hourly-paid, non-exempt, non-union employees of Defendant in the State of California from December 26, 2019, through May 27, 2026 (“Class Period”). “Aggrieved Employees” means all current and former hourly-paid, non-exempt, non-union employees of Defendant in the State of California from December 25, 2022, through May 27, 2026 (“PAGA Period”).

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to participate in the Settlement, remain in the Class, and receive your Individual Class Payment and Individual PAGA Payment, <u>then you do not need to do anything.</u>
Exclude Yourself From the Settlement	If you do not want to participate in the Settlement or remain in the Class, <u>then you need to follow the instructions in Section 6.</u> If you exclude yourself from the Settlement, you will not receive your Individual Class Payment, and you will not release the Released Class Claims against the Released Parties (defined in Section 4, below). However, if the Settlement is approved by the Court and you are an Aggrieved Employee, you will receive your Individual PAGA Payment, and you will release the Released PAGA Claims, even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the terms of the Settlement but remain in the Class, <u>then you need to follow the instructions in Section 7.</u> If you object to the Settlement, you will still be bound by the terms of the Settlement if it is approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Defendant’s records reflect that you are a Class Member and/or Aggrieved Employee (defined above). Because the Settlement, which has been preliminarily approved by the Court, affects Class Members’ and Aggrieved Employees’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides you with information about (1) the Action, (2) the monetary terms of the Settlement, (3) your estimated Individual Class Payment, provided you do not request to be excluded from the Settlement, (4) your estimated Individual PAGA Payment, (5) the terms of the Settlement, including the claims that are being released,

(6) how to participate in, exclude yourself from, or object to the Settlement, and (7) where to find additional information regarding the Action and Settlement.

2. WHAT IS THIS CASE ABOUT?

Plaintiff alleges in his First Amended Class and PAGA Representative Action Complaint (the “Operative Complaint”) that Defendant: (1) failed to pay Class Members minimum wages for all hours worked; (2) failed to pay Class Members overtime compensation; (3) failed to provide Class Members compliant meal periods or compensation in lieu thereof; (4) failed to provide Class Members compliant rest breaks or compensation in lieu thereof; (5) failed to reimburse Class Members for necessary business expenses they incurred in the direct discharge of their duties to Defendant; (6) failed to timely pay Class Members all compensation due upon termination or resignation; (7) failed to provide Class Members accurate itemized wage statements; (8) engaged in unlawful business practices in violation of California Business and Professions Code sections 17200, *et seq.*; and (9) owes civil penalties under PAGA.

Defendant denies these allegations and maintains it fully complied with all applicable laws, provided, permitted, and authorized Class Members to take all meal periods and rest breaks, reimbursed Class Members for all necessary business expenses, provided Class Members with accurate wage statements, compensated Class Members for all wages upon termination or resignation, did not perform any unlawful business acts under California Business and Professions Code sections 17200, *et seq.*, and owes no civil penalties under PAGA. Defendant denies any liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

The Court has not ruled on the merits of the claims alleged by Plaintiff. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose the Action on the merits. Rather, the Court has determined only that there is sufficient evidence to determine, on a preliminary basis, that the proposed Settlement is fair, adequate, and reasonable. The final determination of this question will be made at the Final Approval Hearing. Defendant reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class and/or representative action.

3. THE MONETARY TERMS OF THE SETTLEMENT AND CALCULATION OF YOUR INDIVIDUAL CLASS PAYMENT AND INDIVIDUAL PAGA PAYMENT

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay a Gross Settlement Amount of \$925,000.00 to settle the Action. The following amounts will be paid from the Gross Settlement Amount:

- An Administrator Expenses Payment not to exceed \$9,000.00. for reimbursement of the Administrator’s reasonable fees and expenses;
- A Class Representative Service Payment not to exceed \$10,000.00 to the Class Representative for his services in support of the Action and General Release;
- PAGA Penalties in the amount of \$50,000.00 allocated to the LWDA and Aggrieved Employees for the payment of civil penalties under PAGA;
- A Class Counsel Expenses Payment not to exceed \$25,000.00 to Class Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action; and
- A Class Counsel Fees Payment not to exceed \$308,333.33 to Class Counsel for reimbursement of their reasonable fees incurred to prosecute the Action.

Net Settlement Amount: The amount remaining from the Gross Settlement Amount after the above deductions is called the “Net Settlement Amount.” The Net Settlement Amount will be allocated to all Participating Class Members and calculated as follows:

1. The Administrator will determine the number of weeks each Participating Class Member was engaged in any productive work activity for Defendant for which they were paid as a non-exempt employee, not including paid time off or leaves of absence, during the Class Period (“Workweeks”);
2. The Administrator will determine the value of a single Workweek by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members; and
3. Each Participating Class Member shall receive an Individual Class Payment equal to his or her Workweeks multiplied by the value of a single Workweek.

You have been credited with [REDACTED] Workweeks. Based on these Workweeks, your Individual Class Payment, prior to any applicable withholdings, is estimated to be \$ [REDACTED].

Individual PAGA Payment: A total of \$50,000.00 of the Gross Settlement Amount has been allocated to PAGA Penalties. Of this amount, 75% (*i.e.*, \$37,500.00) will be paid to California’s LWDA (“LWDA PAGA Payment”), and 25% (*i.e.*, \$12,500.00) (“Individual PAGA Payment”) will be paid on a *pro rata* basis to Aggrieved Employees and calculated as follows:

1. The Administrator will determine the number of pay periods each Aggrieved Employee worked for Defendant for at least one day during the PAGA Period (“PAGA Pay Periods”);
2. The Administrator will determine the value of a single PAGA Pay Period by dividing the Individual PAGA Payment by the total number of PAGA Pay Periods worked by all Aggrieved Employees; and
3. Each Aggrieved Employee shall receive an Individual PAGA Payment equal to his or her PAGA Pay Periods multiplied by the value of a single PAGA Pay Period.

You have been credited with [REDACTED] PAGA Pay Periods. Based on these PAGA Pay Periods, your Individual PAGA Payment is estimated to be \$ [REDACTED].

If you dispute the total number of Workweeks and/or PAGA Pay Periods that you have been credited with, you may challenge the allocation by sending a Challenge to the Calculation of Workweeks and/or Pay Periods to the Administrator (“Challenge”). Your Challenge should (1) contain your name, address, and telephone number and the case name and number of the Action (*i.e.*, *Armando Hernandez v. B.A.C.C.O Mechanical, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV31551); (2) clearly state the number of Workweeks and/or PAGA Pay Periods you believe is correct; and (3) attach any documentary evidence you have to prove the number of contended Workweeks and/or PAGA Pay Periods. Your Challenge must be postmarked on or before [Response Deadline] and returned to the Administrator at the following address:

[Administrator]
[contact info]

For tax purposes, fifteen percent (15%) of each Individual Class Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; and eighty-five (85%) of each Individual Class Payment will be considered penalties, liquidated damages, interest, and any other non-wage related payments. The amount allocated as wages will be reported on an IRS form W-2, and the remaining amount allocated as penalties, liquidated damages, interest, and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties and reported on an IRS form 1099.

In addition to the Gross Settlement Amount, Defendant will pay all employer-payroll taxes in connection with the

portion of the Settlement allocated towards wages. Class Members are responsible for paying taxes on other amounts received. This Notice is not tax advice, and you should consult your tax advisor.

Checks will be valid for one hundred and eighty (180) days. After that, checks will become void, and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of mailing, or are returned to the Administrator as undeliverable, will be cancelled, and the Administrator shall send the funds associated with uncashed checks in the name of the Class Member to the State of California's Unclaimed Property Division. For more information, please review how to process a claim for funds with the State of California, https://www.sco.ca.gov/upd_form_claim.html. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, all Class Members who do not opt out of the Settlement (*i.e.*, Participating Class Members), including Plaintiff, will fully and finally release and discharge the Released Parties from the Released Class Claims.

"Released Parties" means Defendant and Defendant's affiliates, auxiliary organizations, subsidiaries, predecessors, successors, assigns, parent organizations, related organizations, owners, executives, partners, trustees, shareholders, administrators, officers, directors, managers, agents, insurers, employers former employees, representatives, and attorneys, past or present, and all persons acting under, by, through, or in concert with any of the foregoing.

"Released Class Claims" means any and all claims, debts, liabilities, demands, obligations, penalties, costs, expenses, attorney's fees, damages, and causes of action that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint. This release includes, without limitation, a release of all claims alleged in the Operative Complaint for alleged failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to pay all unpaid wages at termination, failure to provide accurate itemized wage statements, violation of California Business and Professions Code §§ 17200, *et seq.*, and statutory waiting time penalties based on the foregoing.

5. WHAT AM I RELEASING AS AN AGGRIEVED EMPLOYEE UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, all Aggrieved Employees, including Plaintiff, will fully and finally release and discharge the Released Parties from the Released PAGA Claims. Released Parties is defined in Section 4 of this Notice, above.

"Released PAGA Claims" means any and all claims for civil penalties, and attorneys' fees and costs, under PAGA that were alleged or that reasonably could have been alleged based on the facts alleged in the Operative Complaint or PAGA Notice, including, but not limited to, failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to pay all unpaid wages at termination, and failure to provide accurate itemized wage statements.

AGGRIEVED EMPLOYEES CANNOT OPT-OUT OF THE PAGA SETTLEMENT OR THE RELEASE OF RELEASED PAGA CLAIMS, AND THEY WILL RECEIVE AN INDIVIDUAL PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DO NOT WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member and with regard to the settlement of Released Class Claims, but you are not able to exclude yourself as an Aggrieved Employee. If you wish to exclude yourself from the release of Released Class Claims, you must mail a Request for Exclusion to the Administrator at the address listed in Section 3 of this Notice, above. The Request for Exclusion must be valid and timely. To be valid, the Request for Exclusion must (1) include your full name, address, telephone number, and signature, and a written statement requesting to be excluded from the Settlement; (2) state the case name and number of the Action (i.e., *Armando Hernandez v. B.A.C.C.O Mechanical, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV31551); and (3) be mailed to the specified physical address of the Administrator. To be timely, the Request for Exclusion must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a Request for Exclusion has been timely submitted. You may complete and submit this form to exclude yourself from the Settlement. It is your responsibility to ensure the Administrator timely receives your Request for Exclusion. Unless you timely request to be excluded from the Settlement, you will be bound by the Final Judgment upon Final Approval.

Class Members who request to be excluded from the Settlement will NOT receive their Individual Class Payment and will not release any of the Released Class Claims. However, Class Members who are Aggrieved Employees will receive their Individual PAGA Payment and will release the Released PAGA Claims, regardless of whether they submit a Request for Exclusion.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

You have the right to object to the Settlement or to any settlement term as a Participating Class Member. If you wish to object, you may (1) appear at the Final Approval Hearing and verbally object to the Settlement or any term thereof; and/or (2) send a written Objection to the Administrator at the address listed in Section 3 of this Notice, above. The written Objection must be valid and timely. To be valid, the written Objection must (1) include your full name, address, telephone number, and signature, the contact information for any attorney representing the objecting Class Member, if any, and the factual and legal bases for the Objection, including any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; (2) state the case name and number of the Action (i.e., *Armando Hernandez v. B.A.C.C.O Mechanical, Inc.*, Superior Court of the State of California, County of Los Angeles, Case No. 23STCV31551); and (3) be mailed to the specified physical address of the Administrator. To be timely, the written Objection must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a written Objection has been timely submitted.

Filing an objection will **not** exclude you from the Settlement. If the Court grants Final Approval of the Settlement, you will still receive an Individual Class Payment, and you will be barred from pursuing the Released Class Claims. **Do not file both an Objection and Opt-Out Request. You may file one or neither.** If you file neither, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on _____, at _____ a.m. in the Superior Court of the State of California, County of Los Angeles, Department 6, located at 312 North Spring Street, Los Angeles, CA 90012. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to offer comments and/or present verbal objections at the Final Approval Hearing.

9. WHO ARE THE ATTORNEYS?

<u>Attorneys for Plaintiff and the Class:</u>	<u>Attorneys for Defendant:</u>
Kane Moon	Guillermo A. Escobedo

Jacquelyne VanEmmerik Nichelle Christopherson MOON LAW GROUP, P.C. 725 South Figueroa Street, 31st Floor Los Angeles, California 90017 Telephone: (213) 232-3128	Arcelia N. Magaña Ariel F. Valerio-Meek CONSTANGY, BROOKS, SMITH & PROPHETE, LLP 550 West C Street, Suite 1400 San Diego, California 92101 Telephone: (619) 605-6171
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The Court has permitted, for purposes of settlement, the Attorneys for Plaintiff and the Class to represent the Participating Class Members. Other than the Class Counsel Fees Payment and Class Counsel Expenses Payment approved by the Court and to be paid out of the Gross Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION

The foregoing is only a summary of the Settlement. For the precise terms and conditions of the Settlement and other important case documents, please see the Settlement available at www. .com, by contacting Class Counsel at the address or telephone number provided in Section 9, above.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.