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Attorneys for Defendant
ENERGY INSPECTORS, LLC.

**SUPERIOR COURT OF THE STATE CALIFORNIA
FOR THE COUNTY OF SAN BERNADINO**

JOSEPH SCHWARTZ, as an individual and on
behalf of all employees similarly situated,

Plaintiff,

v.

ENERGY INSPECTORS, LLC et al, a California
Corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO. CIVSB2403749

**JOINT STIPULATION OF CLASS AND
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Assigned for All Purposes to:
Hon. Thomas S. Garza

Complaint Filed: January 24, 2024

1 **JOINT STIPULATION OF CLASS AND PAGA REPRESENTATIVE ACTION**

2 **SETTLEMENT**

3 This Joint Stipulation of Class and PAGA Representative Action Settlement (“Joint Stipulation
4 of Settlement” or “Settlement” or “Agreement”) is made and entered into by and between Plaintiff
5 JOSEPH SCHWARTZ, individually, and on behalf of all others similarly situated, (“Plaintiff” or “Class
6 Representatives”), and Defendant ENERGY INSPECTORS, LLC (“Defendant”). Plaintiff and
7 Defendant are collectively referred to herein as “the Parties.” It is stipulated and agreed by and among
8 the undersigned Parties, this action shall be, and hereby is, ended, settled, resolved, and concluded by
9 agreement of Defendant to pay the Gross Settlement Amount (defined below) pursuant to the terms and
10 conditions of this Agreement, and subject to the approval of the Court. THE PARTIES STIPULATE
11 AND AGREE as follows:

12 **DEFINITIONS**

- 13
- 14 1. “Joint Stipulation of Settlement” or “Settlement” or “Agreement” means this Joint
15 Stipulation of Class and PAGA Representative Action Settlement, including the attached Exhibit(s).
- 16 2. For purposes of this Settlement, “Complaint” refers to the operative complaint, which is
17 the First Amended Complaint.
- 18 3. For purposes of this Settlement, this matter, entitled JOSEPH SCHWARTZ v. ENERGY
19 INSPECTORS, LLC, Case No. CIVSB2403749, is referred to herein as the “Action.”
- 20 4. For purposes of this Settlement, the “Class Period” is the period January 24, 2020 through
21 January 27, 2025 (“Class Period”).
- 22 5. For purposes of this Settlement, the “Class” or “Class Members” consist of: All non-
23 exempt employees of Defendant who worked in California during the Class Period or separated from their
24 employment with Defendant during the three years prior to the filing of this Action. “Settlement Class
25 Members” are those Class Members who do not submit timely exclusion requests to the Settlement
26 Administrator.
- 27 6. For purposes of this Settlement, “Class Counsel” means JOSE GARAY, APLC.
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1 7. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a
2 Class Member worked for Defendant locations in California during the Class Period.

3 8. For purposes of this Settlement, “Response Deadline” means forty-five (45) days after the
4 Settlement Administrator initially mails the Notice to Settlement Class Members and the last date on
5 which Settlement Class Members may submit a request for exclusion or written objection to the
6 Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of forty-five (45)
7 calendar days after initial mailing or 14 calendar days from re-mailing. The Response Deadline may be
8 extended only as expressly described herein.

9 9. For purposes of the Settlement, “Defendant’s Counsel” means FISHER & PHILLIPS
10 LLP.

11 10. For purposes of this Settlement, “PAGA Allocation” means the amount that the Parties
12 have agreed to allocate to resolution of the claim for violation of the Labor Code Private Attorneys
13 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that the PAGA
14 Allocation will be \$15,000.00 from the Gross Settlement Amount. Pursuant to PAGA, Seventy Five
15 Percent (75%) of the PAGA Allocation will be paid to the LWDA (“PAGA Penalty Payment”), and
16 Twenty Five Percent (25%) of the PAGA Allocation will be included in the Net Settlement Amount for
17 PAGA Employees (“PAGA Settlement Payment”).

18 11. For purposes of this Settlement, “PAGA Period” is the period January 24, 2023 through
19 January 27, 2025 (“PAGA Period”).

20 12. For purposes of this Settlement, “PAGA Employee” means all Class Members that
21 worked at any time during the PAGA Period. It is stipulated by the Parties that, for purposes of this
22 Settlement, all PAGA Employees are “aggrieved employees” as defined pursuant to PAGA. PAGA
23 Employees cannot opt out of the settlement of the PAGA claim.

24 13. For purposes of this Settlement, “PAGA Pay Periods” means the number of pay periods
25 each PAGA Employee worked during the PAGA Period.

26 14. For purposes of this Settlement, “PAGA Representatives” means Plaintiff JOSEPH
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1 SCHWARTZ.

2 15. For purposes of this Settlement, “Released PAGA Claims” means all claims asserted
3 through California Labor Code §§ 2698, *et seq.*, that were identified by the PAGA Representatives in the
4 Notice to the LWDA and are alleged in the Complaint. Plaintiff’s Notice to the LWDA is attached hereto
5 as **Exhibit “A”**.

6 16. For purposes of this Settlement, “Released PAGA Claims Period” means the period
7 between January 24, 2023 through January 27, 2025.

8 17. For purposes of this Settlement, “Settlement Payments” means all of the payments to
9 Settlement Class Members (the “Settlement Class Payments”) and all of the payments to the PAGA
10 Employees (the “PAGA Settlement Payment”).

11 18. For purposes of this Settlement, “Final Order” means the final formal court order signed
12 by the Court following the final fairness and approval hearing in accordance with the terms herein,
13 approving this Agreement.
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15 **STIPULATED BACKGROUND**

16 19. On January 24, 2024, Plaintiff filed a putative Class Action alleging the following labelled
17 causes of action: 1. Failure to Pay All Wages Including Minimum and Overtime Wages §§ 204, 206,
18 226.2, 226.8, 510, 1182.12, 1194, 1194.2, 1197, 1720 *et seq.*; 2. Failure to Provide Meal Periods in
19 Violation of Labor Code §§ 226.7, 512, and Wage Order 5-2001, § 11; 3. Failure to Provide Rest Periods
20 in Violation of Labor Code §§ 226.7 and Wage Order 5-2001, § 12; 4. Failure to Reimburse for Necessary
21 Business Expenditures; Labor Code § 2802; 5. Failure to Provide Accurate Itemized Wage Statements in
22 Violation of Labor Code §§ 226, 226.3, and 1174; 6. Failure to Pay Waiting Time Penalties, Labor Code
23 §§ 201-203; and 7. Unfair Business Practices in Violation of Cal. Bus. & Prof Code §§ 17200.
24 Subsequently, an Amended Complaint was filed adding a claim for Enforcement of the Private Attorneys
25 General Act of 2004. (The “Action.”)

26 20. Solely for purposes of settling this case, the parties agree that Plaintiff satisfied the
27 administrative exhaustion requirement that is a prerequisite to filing a claim for Civil Penalties under the
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1 Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] (“PAGA”) by submission
2 of the notice to the LWDA and Defendant.

3 21. Solely for purposes of settling this case, the Parties and their respective counsel stipulate
4 and agree that the requisites for establishing class certification with respect to the Class Members have
5 been met and are met. More specifically, the Parties stipulate and agree that:

6 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
7 Class Members.

8 (b) There are common questions of law and fact including, but not limited to, the
9 following:

- 10 1) Whether or not Defendant paid proper wages and sick pay to the Class;
- 11 2) Whether or not Defendant provided meal periods to the Class;
- 12 3) Whether or not Defendant provided rest periods to the Class;
- 13 4) Whether or not Defendant paid compensation timely upon separation of
- 14 employment to former Class Members;
- 15 5) Whether or not Defendant paid compensation timely throughout Class
- 16 Members’ employment;
- 17 6) Whether or not Defendant provided accurate itemized statements to the
- 18 Class;
- 19 7) Whether or not waiting-time penalties are available to the Class for
- 20 violation of California Labor Code § 203;
- 21 8) Whether or not Defendant maintained requisite records;
- 22 9) Whether or not Defendant paid proper meal period pay or rest period pay
- 23 to the Class; and,
- 24 10) Whether or not Defendant engaged in unlawful or unfair business
- 25 practices affecting the Class in violation of California Business and
- 26 Professions Code §§ 17200-17208.
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- 1 (c) Plaintiff's claims are typical of the claims of the Class Members.
- 2 (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the
- 3 Class.
- 4 (e) The prosecution of separate actions by individual members of the Class would
- 5 create the risk of inconsistent or varying adjudications, which would establish
- 6 incompatible standards of conduct.
- 7 (f) With respect to the Class, questions of law and fact common to the members of
- 8 the Class predominate over any questions affecting any individual member in such
- 9 Class, and that a class action is superior to other available means for the fair and
- 10 efficient adjudication of the controversy.
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12 22. Should, for whatever reason, the Settlement not become effective, class certification as

13 part of the Settlement shall have no bearing on and shall not be admissible in connection with whether

14 the Class Members and/or the class claims should be certified in a non-settlement context in this Action

15 or in any other lawsuit. Defendant expressly reserves its right to oppose class certification in this or any

16 other action should this Settlement not become effective.

17 23. Defendant denies any liability or wrongdoing of any kind whatsoever associated with the

18 claims alleged in the Complaint, and Defendant further denies that, for any purpose other than settling

19 this lawsuit, the action is appropriate for class or representative treatment. With respect to Plaintiff's

20 claims, Defendant contends, among other things, that it has complied at all times with the California Labor

21 Code and the applicable Wage Orders of the Industrial Welfare Commission. Furthermore, with respect

22 to all claims, Defendant contends that it has complied at all times with the California Business and

23 Professions Code.

24 24. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge

25 all disputes and claims arising from or related to the Complaint.

26 25. Class Counsel has conducted a thorough investigation into the facts of this Action,

27 including an extensive review of relevant documents, and has diligently pursued an investigation of the

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claims of the Class and PAGA claims against Defendant. Based on its 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 Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class and PAGA employees in light of all known facts and circumstances, including the risk of significant delay, the risk the Class will not be certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues.

26. The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement.

27. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

PRIMARY TERMS OF SETTLEMENT

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

(a) It is agreed by and among the Settlement Class, PAGA Employees, and Defendant that this case and any claims, damages, or causes of action arising out of the disputes which are the subject of this case, be settled and compromised as between the Settlement Class, PAGA Employees, and Defendant, subject to the terms and conditions set forth in this Settlement and the approval of the Court.

(b) Effective Date: The "Effective Date" of the Settlement means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Final Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members objects to the Settlement, the day after the deadline for filing a notice of 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.

- (c) Gross Settlement Amount: Defendant's maximum total payment under the Settlement, including all attorney's fees and costs, the Service Payment to the named Plaintiff, the costs of settlement administration, the PAGA Allocation, and any other payments provided by this Settlement, is One Hundred and Thirty Thousand Dollars and Zero Cents (\$130,000.00) ("Gross Settlement Amount"), subject to the Escalator Clause and except that, to the extent that any portions of the Class Members' Settlement Payments constitute wages, Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions.
- (d) Escalator Clause: On October 29, 2024, the number of workweeks during the Class Period is estimated to be 7,032 workweeks. If the number of work weeks worked by class members during the Class Period exceeds 7,735 (i.e., 10 % more than the number of workweeks estimated by Defendant through October 29, 2024), then, at Defendant's option, the settlement will either increase by a pro rata amount for each additional workweek or the release period will end on the date when the 10% threshold is met. (the "Escalator Clause").
- (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will revert to Defendant.
- (f) No Claims Required: Class Members will not be required to submit a claim to receive their Settlement payment.
- (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by deducting from the Gross Settlement Amount (\$130,000.00) the following sums, subject to approval by the Court: (1) attorney's fees (not to exceed 33 and 1/3% of the Gross Settlement Amount); (2) reasonable litigation costs according to

1 proof; (3) the Service Payment to Plaintiff in the amount of \$10,000.00; (4) the
2 PAGA Penalty Payment; and (5) costs of settlement administration (estimated not
3 to exceed \$8,000.00). Settlement Payments to the Class Members and PAGA
4 Employees will be calculated by the Settlement Administrator and paid out of the
5 Net Settlement Amount as set forth below.

6 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
7 Settlement Class Members' Settlement Payments constitute wages, Defendant
8 will be separately responsible for any **employer** payroll taxes required by law,
9 including the employer FICA, FUTA, and SDI contributions. Except for any
10 employer payroll taxes, it is understood and agreed that Defendant's maximum
11 total liability under this Settlement shall not exceed the Gross Settlement Amount.
12 The Settlement Administrator will calculate and submit the Defendant's employer
13 share of payroll taxes after advising Defendant of the total amount owed, in
14 aggregate, as employer-side payroll taxes and receiving a lump sum payment from
15 Defendant in that amount when the Gross Settlement Amount is delivered to the
16 Settlement Administrator.

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18 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
19 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
20 Member (i.e., those Class Members who do not opt out of the Class Settlement, as
21 defined above) will be paid a pro-rata share of the Net Settlement Amount, less
22 the PAGA Settlement Payments totalling \$15,000.00 PAGA penalties (75% to
23 state \$11,250.00; 25% to aggrieved employees \$3,750.00) as calculated by the
24 Settlement Administrator. The pro-rata share will be determined by comparing
25 the individual Settlement Class Member's Covered Workweeks employed during
26 the Class Period in California to the total Covered Workweeks of all the
27 Settlement Class Members during the Class Period as follows: [Workweeks
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1 worked by a Settlement Class Member] ÷ [Sum of all Covered Workweeks
2 worked by all Settlement Class Members] × [Net Settlement Amount – all PAGA
3 Settlement Payments] = individual Settlement Payment for a Settlement Class
4 Member. Settlement Class Payments in the appropriate amounts will be
5 distributed by the Settlement Administrator by mail to the Settlement Class
6 Members.

7 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
8 Settlement Amount. Each PAGA Employee will be paid a pro-rata share
9 of the PAGA Employees' PAGA Settlement Payment, as calculated by the
10 Settlement Administrator. Class Members will not be permitted to exclude
11 themselves from this portion of the Settlement. The pro-rata share will be
12 determined by comparing the individual PAGA Employees' PAGA Pay
13 Periods during the PAGA Period to the total PAGA Pay Periods of all the
14 PAGA Employees during the PAGA Period as follows: [PAGA Pay
15 Periods worked by a PAGA Employee] ÷ [Sum of all PAGA Pay Periods
16 worked by all PAGA Employees] × [PAGA Settlement Payment to
17 Employees, i.e. \$3,750.00] = individual PAGA Employee's portion of the
18 PAGA Settlement Payment. PAGA Settlement Payments to PAGA
19 Employees in the appropriate amounts will be distributed by the Settlement
20 Administrator by mail to the PAGA Employees at the same time Settlement
21 Class Payments issue to the Settlement Class. The LWDA's PAGA Penalty
22 Payment will issue to the LWDA at the same time Settlement Payments
23 issue to the Settlement Class.

24 (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class
25 Payments will be allocated as follows: 20% to wages, 80% to penalties and
26 interest. The PAGA Settlement Payment shares to PAGA Employees will be
27 entirely allocated to penalties. Appropriate federal, state and local withholding
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1 taxes will be taken out of the wage allocations, and each Class Member will
2 receive an IRS Form W-2 with respect to this portion of the Settlement Payment.
3 The employer's share of payroll taxes and other required withholdings will be paid
4 as set forth above, including but not limited to the Defendant's FICA and FUTA
5 contributions, based on the payment of claims to the Class Members. IRS Forms
6 1099 will be issued to each Class Member reflecting the payments for penalties
7 and interest. Class Members are responsible to pay appropriate taxes due on the
8 Settlement Payments they receive. To the extent required by law, IRS Forms 1099
9 and W-2 will be issued to each Class Member with respect to such payments. All
10 PAGA Settlement Payments will be allocated as 100% penalties.

11 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement
12 Payments to individual Class Members shall be deemed to be paid to such Class
13 Member solely in the year in which such payments actually are received by the
14 Class Member. It is expressly understood and agreed that the receipt of such
15 Settlement Payments will not entitle any Class Member to additional
16 compensation or benefits under any company bonus, contest or other
17 compensation or benefit plan or agreement in place during the period covered by
18 the Settlement, nor will it entitle any Class Member to any increased retirement,
19 401(k) benefits or matching benefits or deferred compensation benefits. It is the
20 intent that the Settlement Payments provided for in this Settlement are the sole
21 payments to be made by Defendant to the Class Members, and that the Class
22 Members are not entitled to any new or additional compensation or benefits as a
23 result of having received the Settlement Payments (notwithstanding any contrary
24 language or agreement in any benefit or compensation plan document that might
25 have been in effect during the period covered by this Settlement).

26 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendant will not
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1 object to Class Counsel's application for attorney's fees not to exceed 33 and 1/3%
2 of the Gross Settlement Amount and reimbursement of litigation costs and
3 expenses not to exceed \$20,000.00. Approved attorney's fees and litigation costs
4 shall be paid at the same time Settlement Payments issue to the Settlement Class.

- 5 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
6 Defendant will not object to Class Counsel's application for a payment of
7 \$10,000.00 to Plaintiff for service as a Class Representative ("Service Payment").
8 It is understood that the Service Payment is in addition to the individual Settlement
9 Payment to which a Class Representative is entitled to along with the other Class
10 Members. In exchange, Plaintiff has agreed to release all claims, demands,
11 rights, liabilities and causes of action of every nature and description
12 whatsoever, known or unknown, asserted or that might have been asserted,
13 whether in tort, contract, or for violation of any state or federal statute, rule or
14 regulation arising out of, relating to, or in connection with any act or omission
15 by or on the part of any of the Released Parties committed or omitted prior to
16 the execution hereof ("Plaintiff's Released Claims"). Plaintiff and Defendant
17 both stipulate and agree that each of them have expressly waived and
18 relinquished, to the fullest extent permitted by law, the provisions, rights and
19 benefits of Section 1542 of the California Civil Code, or any other provision
20 under federal or state law, which provides:

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

26 Plaintiff's general release provided herein is made with an express waiver and
27 relinquishment of any claim, right, or benefit under California Civil Code §
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1542.

The Parties understand that the General Release does not release any claims that they cannot lawfully release. It is also understood and agreed by Defendant that by this release Plaintiff is not waiving unemployment and/or any state disability insurance benefits pursuant to the terms of applicable state law, workers' compensation claims, any rights which are not subject to waiver as a matter of law.

- (o) Defendant or the Settlement Administrator will issue an IRS Form 1099 for the Service Payment to the Plaintiff. The Plaintiff will be individually responsible for correctly characterizing this compensation on personal income tax returns for tax purposes and for paying any taxes on the amounts received. Plaintiff agrees not to opt out or object to the Service Payment as the Class Representative.
- (p) Settlement Administrator: The Settlement Administrator will be Phoenix Class Action Administration Solutions.
- (q) Funding of Settlement Account: Defendant will fund the settlement account and distribute Gross Settlement Amount to the Settlement Administrator within fifteen (15) days of the Effective Date.
- (r) Distribution and Mailing of Settlement Payments: The Settlement Administrator shall mail the Settlement Payments to the Class Members within fourteen (14) calendar days of receipt of the Gross Settlement Amount from Defendant, provided that the Settlement Administrator has delivered to the Parties an accounting of the amounts to be paid by Defendant pursuant to the terms of this Settlement.
- (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the material terms of the proposed Settlement, along with instructions about how to object or request exclusion from the proposed class action Settlement

1 (“Notice”). For each Class Member, there will be pre-printed information on the
2 mailed Notice, based on Defendant’s records, stating the Class Member’s
3 Covered Workweeks during the Class Period and the estimated total Settlement
4 Payment under the Settlement, including the Settlement Class Payment and the
5 PAGA Settlement Payment that will be distributed irrespective of any exclusion
6 request. The pre-printed information based on Defendant’s records shall be
7 presumed to be correct. A Class Member may dispute the pre-printed information
8 on the Notice as to his or her Covered Workweeks during the Class Period. Class
9 Members must submit any dispute regarding the information on the Notice as to
10 his or her Covered Workweeks within the Response Deadline.

11 (t) Settlement Notice Language: The Notice will issue in English and Spanish.

12 (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
13 Class Members submitting a request for exclusion will nevertheless receive their
14 pro-rata share of the PAGA Settlement Payment. If the Court approves the
15 compromise of the PAGA Claim, all Class Members are bound by the Court’s
16 resolution of the PAGA Claim. Plaintiff shall serve a notice of settlement on the
17 California Labor and Workforce Development Agency at or before the time
18 Plaintiff files the motion for preliminary approval.

19 (v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of
20 Defendant’s records used to calculate Covered Workweeks, the Parties’ counsel
21 and the Settlement Administrator will review Defendant’s records and any
22 information, or documents submitted by the Class Member in an attempt to
23 resolve the dispute informally. If the dispute cannot be resolved informally by the
24 Parties’ counsel and the Settlement Administrator, the dispute, and all documents
25 pertaining to the dispute, will be submitted to the Court for final resolution. The
26 Class Member must submit information or documents supporting his or her
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1 position to the Settlement Administrator prior to the expiration of the Response
2 Deadline. Information or documents submitted after the expiration of the
3 Response Deadline will not be considered by the Settlement Administrator, unless
4 otherwise agreed to by the Parties.

5 (w) Right of Class Member to Request Exclusion from the Settlement: Any
6 Class Member may request to be excluded from the Class by returning a
7 request for exclusion to the Settlement Administrator within the Response
8 Deadline. The form of Request for Exclusion that will accompany the Notice is
9 attached hereto as **Exhibit “C.”** The Request for Exclusion form accompanying
10 the Notice will be pre-printed with the Class Member’s name and address to
11 facilitate identification by the Settlement Administrator. The Class Member must
12 sign the Request for Exclusion Notice and include the last four digits of their social
13 security number to confirm identity or Employee ID. If Class Member does not
14 have a social security number and does not know his Employee ID, he can contact
15 the Settlement Administrator to arrange for an alternate method of confirming
16 his/her identity. Any Class Member who timely requests exclusion in compliance
17 with these requirements (i) shall not have any rights under this Settlement other
18 than a right to receive a pro-rata share of the portion of the PAGA payment
19 allocated to the Class Members if the Class Member is also PAGA Employee; (ii)
20 shall not be entitled to receive any Settlement Payments under this Settlement
21 other than as stated in (i) in this paragraph; and (iii) shall not be bound by this
22 Settlement or the Court’s Final Order and Final Judgment other than as it applies
23 to the PAGA Claim.

24 (x) Right of Settlement Class Member to Object to The Settlement: Any Class
25 Member may object to the Settlement. To object, the Class Member may (1)
26 appear in person (including through an audio or video call appearance as allowed
27 by the Court) at the Final Approval Hearing to explain any objection, (2) have an
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1 attorney object for the Class Member, or (3) submit a simple written brief or
2 statement of objection to the Settlement Administrator in the form attached hereto
3 as **Exhibit “D.”** If any Class Member chooses to submit a written objection not
4 in the form attached hereto as **Exhibit “D,”** the written objection should contain
5 sufficient information to confirm the identity of the objector and the basis of the
6 objection, including (1) the full name of the Settlement Class Member; (2) the
7 signature of the Settlement Class Member; (3) the grounds for the objection; and
8 (4) be postmarked within the Response Deadline to permit adequate time for
9 processing and review by the Parties of the written statement or objection. Class
10 Counsel shall ensure that any written objections are transmitted to the Court for
11 the Court’s review (either by Class Counsel or as an attachment to declaration
12 from the Settlement Administrator). Regardless of the form, an objection alone
13 will not satisfy the requirement that a Settlement Class Member must either make
14 a timely complaint in intervention before final judgment or by file a motion to set
15 aside and vacate the class judgment under Code of Civil Procedure § 663 to have
16 standing to appeal entry of judgment approving this Settlement, as is required
17 under the California Supreme Court decision of *Hernandez v. Restoration*
18 *Hardware*, 4 Cal. 5th 260 (2018). A Class Member who does not object prior to
19 or at the Final Approval Hearing, will be deemed to have waived any objections
20 and will be foreclosed from making any objections (whether at the Final Approval
21 Hearing, by appeal, or otherwise) to the Settlement. If the objecting Class
22 Member does not formally intervene in the action or move to set aside any
23 judgment and/or the Court rejects the Class Member’s objection, the Class
24 Member will still be bound by the terms of this Agreement. Class Counsel and
25 Defendant’s Counsel may, at least five (5) calendar days (or some other number
26 of days as the Court shall specify) before the final approval hearing, file responses
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1 to any written objections submitted to the Court.

2 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

3 29. Subject to the Court's approval, and subject to reconsideration by the Parties after a
4 competitive bidding process, the Parties have agreed to the appointment of Phoenix Class Action
5 Administration Solutions to perform the customary duties of Settlement Administrator. The Settlement
6 Administrator will mail the Notice, both in English and Spanish, to the Class Members.

7 30. The Settlement Administrator will independently review the Covered Workweeks
8 attributed to each Class Member and will calculate the estimated amounts due to each Class Member and
9 the actual amounts due to each Settlement Class Member in accordance with this Settlement. The
10 Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The
11 Settlement Administrator shall be granted reasonable access to Defendant's records in order to perform
12 its duties.

13 31. In accordance with the terms of this Settlement, and within fourteen (14) calendar days of
14 receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send
15 out the Settlement Payment checks to the Class Members. Tax treatment of the Settlement Payments will
16 be as set forth herein, and in accordance with state and federal tax laws. All disputes relating to the
17 Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which
18 will have continuing jurisdiction over the terms and conditions of this Settlement until all payments and
19 obligations contemplated by this Settlement have been fully carried out. Within fourteen (14) calendar
20 days of receipt of the Gross Settlement Amount from Defendant the Settlement Administrator will also
21 distribute the Service Payment to Plaintiff, attorney's fees and costs to Class counsel, PAGA penalty
22 payment to LWDA and the Settlement Administrator's fees.

23 32. The Settlement Administrator will post the court orders granting preliminary and final
24 approval of the Settlement and final judgment approving the Settlement on the Settlement Administrator's
25 website for a period of not less than 90 calendar days after the final judgment is entered. The address of
26 that website will be included in the Notice.
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1 Postal Service's National Change of Address List; this check will be performed
2 only once per Class Member by the Settlement Administrator. Absent mutual
3 written agreement of counsel for the Parties or Court order, the Settlement
4 Administrator will keep this database confidential and secure and use it only for
5 the purposes described herein, and will return this database to Defendant upon
6 final approval of the settlement or destroy electronic records containing the
7 database after the Settlement is final and all payments are distributed as required
8 under this Agreement. However, Plaintiff's Counsel shall be entitled to review
9 anonymized data showing the workweeks worked by each Class Member, with
10 Class Member identity concealed through use of an employee number or number
11 assigned by the Settlement Administrator.

12
13 (b) Within 14 calendar days after the Class database is provided to the Settlement
14 Administrator, the Settlement Administrator will mail the Notices to the Class
15 Members by First Class United States mail.

16 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
17 the initial Response Deadline shall be resent to the forwarding address, if any, on
18 the returned envelope. A returned Notice will be forwarded by the Settlement
19 Administrator any time that a forwarding address is provided with the returned
20 mail. If there is no forwarding address, the Settlement Administrator will do a
21 computer search for a new address using the Class Member's social security
22 number or other information. In any instance where a Notice is re-mailed, that
23 Class Member will have until the extended Response Deadline as described
24 above. A letter prepared by the Settlement Administrator will be included in the
25 re-mailed Notice in that instance, stating the extended Response Deadline if
26 different than the original Response Deadline. Upon completion of these steps by
27 the Settlement Administrator, Defendant and the Settlement Administrator shall
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1 be deemed to have satisfied their obligations to provide the Notice to the affected
2 Class Member. The affected Class Member shall remain a member of the
3 Settlement Class and shall be bound by all the terms of the Settlement and the
4 Court's Final Order and Final Judgment.

- 5 (d) Class Counsel shall provide to the Court, at least sixteen court days prior to the
6 final approval hearing, or such other date as set by the Court, a declaration by the
7 Settlement Administrator of due diligence and confirming mailing of the Notices.

8 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

9 35. As set forth above, each Class Member will have until the expiration of the applicable
10 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class
11 Member's Covered Workweek information on the Notice. No disputes will be honored if they are
12 submitted after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute.
13 Each Class Member is responsible to maintain a copy of any documents sent to the Settlement
14 Administrator and a record of proof of mailing.

15 36. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
16 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and
17 PAGA Payments may be combined into one check. Settlement Payment checks shall remain valid and
18 negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will
19 automatically be cancelled by the Settlement Administrator if they are not cashed by the Class Member
20 within that time, and the Class Member's relevant claims will remain released by the Settlement.
21 Settlement Payment checks which have expired will not be reissued.

22 37. Funds from unclaimed, uncashed or abandoned Settlement Payment checks, based on a
23 180-day void date, shall be distributed to those class members who have cashed their checks.

24 38. Upon completion of its calculation of Settlement Payments, the Settlement Administrator
25 shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to
26 be made to Class Members (to be identified anonymously by employee number or other identifier). A
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1 Declaration attesting to completion of all payment obligations will be provided to Class Counsel and
2 Defendant's Counsel and filed with the Court by Class Counsel.

3 **RELEASE BY THE CLASS**

4 39. Upon the final approval by the Court of this Settlement and Defendant's payment of all
5 sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this
6 Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid
7 and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- 8 (a) **Identity of Released Parties.** The released parties are Defendant and its owners,
9 officers, directors, employees and agents (collectively "Releasees").
- 10 (b) **Date Release Becomes Effective.** The Released Claims will be released upon
11 the later of (1) the Settlement's Effective Date, or (2) the satisfaction of
12 Defendant's obligation to provide to the Settlement Administrator a sum in the
13 amount required to satisfy all required payments and distributions pursuant to this
14 Settlement and the Final Order and Judgment of final approval. Class Members
15 will not release the Released Claims or Released PAGA Claims until both the
16 Effective Date of the Settlement has occurred, **and** Defendant has paid all
17 amounts owing under the Settlement.
- 18 (c) **Claims Released by Settlement Class Members.** Each and every Class
19 Member, himself and each of their heirs, assigns and successors, unless he or she
20 has submitted a timely and valid Request for Exclusion (which will not effectuate
21 an opt-out from the release of Released PAGA Claims), hereby releases Releasees
22 from the following claims for the entire Class Period:
- 23 1. **Released Claims by Settlement Class:** any and all claims stated in the
24 operative Complaint, or that could have been stated based on the facts
25 alleged in the Complaint ("Released Claims by Settlement Class
26 Members").
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1 a. “Released Claims by Settlement Class Members” shall mean
2 all causes of action and factual or legal theories arising during
3 the Class Period that were alleged, or that could have been
4 alleged, based on the facts alleged in the operative Complaint,
5 and/or LWDA Notice. The specific provisions of the Labor
6 Code alleged to have been violated are as follows: Labor Code
7 sections 90.5, 98.6, 98.7, 201-204, 206, 208, 226, 226.2, 226.3,
8 226.7, 226.8, 227.3, 510, 512, 516, 558, 1174, 1174.5, 1182.12,
9 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1720, 2699, 2699.3,
10 2699.5, 2802 and Business and Professions Code section 17200
11 et seq., and the applicable Wage Order.

12 2. **Released PAGA Claims by PAGA Employees:** Plaintiff, who was
13 employed during the Released PAGA Claims Period, releases all claims
14 to the extent asserted in his administrative exhaustion letter submitted to
15 the LWDA (**Exhibit A**), and within the operative Complaint in this
16 matter. By way of Plaintiff’s release, and the court entering judgment
17 thereupon, *all* non-parties, such as other aggrieved employees during the
18 Released PAGA Claims Period, will be henceforth precluded from
19 bringing any action under the Labor Code Private Attorneys General Act
20 of 2004 for the Released PAGA Claims Period, to the extent asserted in
21 Plaintiff’s administrative exhaustion letter (**Exhibit A**), and within the
22 operative Complaint in this matter (“Released PAGA Claims by PAGA
23 Employees”). (See *Arias v. Superior Court* (2009) 46 Cal. 4th 969.)

24 a. “Released PAGA Claims by PAGA Employees” shall mean
25 any liability for civil penalties recoverable under PAGA for
26 violations during the PAGA Period based on factual or legal
27 theories that were alleged in the LWDA notice or First
28 Amended Complaint. The specific provisions of the Labor

Code alleged to have been violated are as follows: Labor Code sections 90.5, 98.6, 98.7, 201-204, 206, 208, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1720, 2699, 2699.3, 2699.5, 2802.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

40. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class and PAGA Representative Action Settlement, the Parties shall apply to the Court for the entry of an order:

- (a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class Representative's service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Certifying a Class;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice;
- (e) Preliminarily approving the Settlement, including Class and PAGA claims, subject only to the objections of Class Members as to the Class Settlement and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing Phoenix Class Action Administration Solutions as the Settlement Administrator, and order the Settlement Administrator to issue Notices as outlined above.

41. Defendant and its counsel agree to cooperate to obtain approval of the Settlement,

1 pursuant to the terms set forth herein.

2 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

3 42. In conjunction with the hearing of a motion for final approval by the Court of the
4 Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's
5 Counsel for review and approval and then submit to the Court a proposed Final Order and judgment
6 containing provisions sufficient to accomplish the following:

- 7 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
8 adequate, and directing consummation of its terms and provisions;
9 (b) Approving Class Counsel's application for an award of attorney's fees and costs;
10 (c) Approving the Service Payment to the Class Representative;
11 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and
12 reporting duties under the Settlement.
13 (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final
14 Settlement Class for the purpose of entering into and implementing the
15 Agreement;
16 (f) Entering a final judgment in the action as to all PAGA and Class Claims and
17 related issues;
18 (g) Adjudging that notwithstanding the submission of a timely request for exclusion,
19 Class Members are still bound by the settlement and release of the Released
20 PAGA Claims or remedies under the Judgment pursuant to *Arias v. Superior*
21 *Court*, 46 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do
22 not apply to the Released PAGA Claims, and further affirms that the State's
23 claims for civil penalties pursuant to PAGA are also extinguished;
24 (h) Directing the posting of the settlement documents provided in Paragraph 30 and
25 final judgment on a website maintained by the Settlement Administrator for a
26 period of not less than 90 calendar days after entry of final judgment.
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1 Any revised final judgments will also be provided to Defendant's Counsel for review and approval before
2 they are submitted to the Court.

3 **NULLIFICATION AND TERMINATION**

4 43. This Settlement will be null and void if any of the following occur: (a) the Court should
5 for any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to
6 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than
7 adjustments made to the attorney's fees and costs or granting of Service Payment or settlement money
8 distribution terms; (c) the Court should for any reason fail to issue its Final Order or enter the final
9 judgment; (d) the Final Order or final judgment is reversed, modified, or declared or rendered void; or (e)
10 the Settlement does not become final for any other reason.

11 44. If 10% or more of the Class Members opt out of this Settlement, then Defendant in its sole
12 discretion may terminate, nullify and void this Settlement. The Settlement Administrator shall provide
13 Defendant's Counsel with the information necessary to effectuate this provision on a regular basis, but no
14 less frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's
15 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than fifteen
16 (15) days prior to the date of the Final Approval Hearing. If this option is exercised by Defendant,
17 Defendant shall be solely responsible for the costs incurred by the Settlement Administrator for the
18 settlement administration.

19 45. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
20 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
21 proceedings shall have any force or effect and no party shall be bound by any of its terms, and (iii) all
22 Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been
23 neither entered into nor filed with the Court.
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25 **PARTIES' AUTHORITY**

26 46. The signatories hereto hereby represent that they are fully authorized to enter into this
27 Settlement and bind the Parties hereto to the terms and conditions thereof.
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1 proceeding against any other party or parties to enforce the provisions of this Settlement or to declare
2 rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover
3 from the unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees
4 incurred in connection with any enforcement actions.

5 **NOTICES**

6 51. Unless otherwise specifically provided herein, all notices, demands or other
7 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
8 the third business day after mailing by United States registered or certified mail, return receipt requested,
9 addressed as follows:
10

11 **Class Counsel:**

12 JOSE GARAY, APLC
13 Jose R. Garay (SBN: 200494)
14 249 E. Ocean Blvd. #814
15 Long Beach, CA 90802
16 Telephone: (949) 208-3400
Facsimile: (562) 590-8400
jose@garaylaw.com

Counsel for Defendant:

JOHN A. MAVROS (SBN 257673)
E-Mail: jmavros@fisherphillips.com
KYLEY S. MURER (SBN 328476)
E-Mail: kmurer@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851-2424
Facsimile: (949) 851-0152

19 **CONSTRUCTION**

20 52. The Parties hereto agree that the terms and conditions of this Settlement are the result of
21 lengthy, intensive arms-length negotiations between the Parties, and this Settlement shall not be construed
22 in favor of or against any party by reason of the extent to which any party or his, her or its counsel
23 participated in the drafting of this Settlement.

24 **CAPTIONS AND INTERPRETATIONS**

25 53. Paragraph titles or captions contained herein are inserted as a matter of convenience and
26 for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision
27 hereof. Each term of this Settlement is contractual and not merely a recital.
28

1 **MODIFICATION**

2 54. This Settlement may not be changed, altered, or modified, except in writing and signed
3 by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by
4 performance in accordance with its terms or by a writing signed by the Parties hereto.

5 **INTEGRATION CLAUSE**

6 55. This Settlement contains the entire agreement between the Parties relating to the
7 Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
8 understandings, representations, and statements, whether oral or written and whether by a party or such
9 party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

10 **WAIVER OF APPEALS**

11 56. The Parties agree to waive appeals and to stipulate to class certification for purposes of
12 implementing this Settlement only, with the exception that Class Counsel retains the right to appeal the
13 amount awarded as attorney's fees, and the Final Order may be appealed if materially different from the
14 proposed final order submitted by the Parties.

15 **BINDING ON ASSIGNS**

16 57. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and
17 their respective heirs, trustees, executors, administrators, successors and assigns.

18 **CLASS COUNSEL SIGNATORIES**

19 58. It is agreed that because the members of the Class are so numerous, it is impossible or
20 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
21 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
22 have the same force and effect as if this Settlement were executed by each member of the Class.

23 **COUNTERPARTS**

24 59. This Settlement may be executed in counterparts and by electronic or facsimile signatures,
25 and when each party has signed and delivered at least one such counterpart, each counterpart shall be
26 deemed an original, and, when taken together with other signed counterparts, shall constitute one
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Settlement, which shall be binding upon and effective as to all Parties.

CONFIDENTIALITY & PUBLIC COMMENT

60. The Class Representative and Class Counsel shall only disclose matters of public record other than to Class Members, who may receive information about the Settlement that is not in the public record after the Court has preliminarily approved the Settlement. Other than as to Class Members who are allowed to discuss the terms or the fact of the settlement with their immediate family members, their respective accountants or lawyers as necessary for tax purposes; or other Class Members, the Parties and attorneys will keep the settlement confidential until the filing of the motion for preliminary approval of the class settlement. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms of the Settlement, other than in court filings.

FINAL JUDGMENT

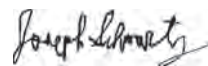
61. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

IT IS SO STIPULATED.

Dated: January 28, 2026

PLAINTIFF CLASS REPRESENTATIVE

By: 
Joseph Schwartz

Dated: January 28, 2026

PLAINTIFF'S COUNSEL, JOSE GARAY, APLC

By: 
Jose R. Garay
Attorneys for Plaintiff Schwartz et. al.

1 Dated: February 2, 2026

DEFENDANT, ENERGY INSPECTORS, LLC

2
3
4 By: Jonathan Risch

Print Name

5 *Jonathan Risch*

6 Signature

7 CEO

8 Title

9
10 DATE: February 2, 2026

**DEFENDANT'S COUNSEL FISHER &
PHILLIPS LLP**

11
12
13 By:

John A. Mavros

14 JOHN A. MAVROS

KYLEY S. MURER

Attorneys for Defendants

ENERGY INSPECTORS, LLC.

Title	Schwartz v. Energy Inspectors - Settlement Agreement
File name	Settlemental_Agre...23.2026.FINAL.pdf
Document ID	04b07c8831a21900430dbfb81fef8f9961a97dc4
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

01 / 28 / 2026

16:58:58 UTC-5

Sent for signature to Joseph Schwartz (redrhino99@msn.com) by integrations@hellosign.com acting on behalf of jose@garaylaw.com
IP: 73.6.163.170



VIEWED

01 / 28 / 2026

17:02:00 UTC-5

Viewed by Joseph Schwartz (redrhino99@msn.com)
IP: 107.116.170.63



SIGNED

01 / 28 / 2026

17:02:41 UTC-5

Signed by Joseph Schwartz (redrhino99@msn.com)
IP: 107.116.170.63



COMPLETED

01 / 28 / 2026

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The document has been completed.