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Attorney for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF VENTURA

JUAN JOSE PINTO PEREZ, an individual,
on behalf of himself, others similarly situated,
and as a private attorney general on behalf of
the State of California,

PLAINTIFF,

v.

GOLDENWOOD TRUSS CORPORATION,
a California Corporation, and DOES 1 thru
50, inclusive,

DEFENDANTS.

CASE NO: 2024CUOE019811

[Assigned for all purposes to the Hon. Mark S.
Borrell, Dept. 40]

**DECLARATION OF DAVID S. WINSTON
IN SUPPORT OF APPROVAL OF PAGA
SETTLEMENT**

Date: February 5, 2025

Time: 8:30 a.m.

Dept.: 40

Complaint Filed: January 23, 2024

FAC Filed: March 29, 2024

Trial Date: None Set

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1. I am an attorney licensed to practice before all of the courts of the State of California. I am the attorney of record for Plaintiff JUAN JOSE PINTO PEREZ in the above-entitled action. I have personal knowledge of the facts set forth herein, and if called upon as a witness, I could and would testify competently thereto.

THE EXPERIENCE AND VIEWS OF PAGA COUNSEL

3. Prior to starting the Winston Law Group, P.C. in 2017, I regularly litigated class and representative actions as an Associate at Kingsley & Kingsley and also represented employers in class, representative, and individual actions.

5. Since founding Winston Law Group, P.C. I have also been appointed Class or PAGA Counsel in numerous class action and PAGA cases including:

b. *Porras et al. vs. Chipotle Services, LLC, Stanislaus County Superior Court (Case No. CV-19-000937)*. This PAGA settlement was approved by the Hon. Sonny S. Sadhu on June 16, 2020 in

1 the gross amount of \$4,900,000.

2 *c. Miller et al. vs. Mattress Firm, Inc., Santa Clara County Superior Court (Case No.*
3 *17CV313148).* This PAGA settlement was approved by the Hon. Thomas E. Kunle on December 17,
4 2018 in the gross amount of \$3,750,000.

5 *d. Smart & Final Wage and Hour Cases, Sacramento County Superior Court (JCCP*
6 *Number 5089).* This PAGA settlement was approved by the Hon. Richard K. Sueyoshi on July 9, 2021
7 in the gross amount of \$3,470,000.

8 *e. Zirpolo vs. UAG Stevens Creek, Inc. (Penske), Santa Clara County Superior Court*
9 *(Case No. 17CV313457).* The matter was finally approved for settlement by the Honorable Brian C.
10 Walsh on July 10, 2018 in the gross amount of \$3,275,000.

11 *f. Espindola et al. vs. Panda Express, LLC et al., San Bernardino County Superior Court*
12 *(Case No. CIVDS1931455).* This PAGA settlement was approved by the Hon. David Cohn on April 13,
13 2021 in the gross amount of \$3,125,000.

14 *g. Westbrook vs. Winco Holdings Inc. et al., Riverside County Superior Court (Case No.*
15 *RIC1710168).* The matter was finally approved for settlement by the Hon. Raquel A. Marquez on
16 January 15, 2019 in the gross amount of \$3,000,000.

17 *h. Amster et al. vs. Starbucks Corporation, San Bernardino County Superior Court (Case*
18 *No. CIVDS1922016).* This PAGA settlement was approved by the Hon. Donald Alvarez on July 14,
19 2020 in the gross amount of \$3,000,000.

20 *i. Chavez and Melendez vs. CAM-BAS, INC. et al., Santa Clara County Superior Court*
21 *(Case No. 20CV372311).* The matter was finally approved on April 13, 2023 by the Hon. Theodore C.
22 Zayner in the gross amount of \$3,000,000.

23 *j. Antonov et al. vs. GL HHR, LLC (Ken Garff Automotive) et al., San Bernardino County*
24 *Superior Court (Case No. CIVDS1724725).* The matter was finally approved for settlement by the Hon.
25 David Cohn on December 11, 2018 in the gross amount of \$2,850,000.

1 k. *De Cruz and Irias vs. Cardenas Markets LLC, Alameda County Superior Court (Case*
2 *No. 22CV005906)*. This PAGA settlement was approved by the Hon. Jenna Whitman on February 22,
3 2024 in the gross amount of \$2,500,000.

4 l. *Acevedo et al. vs. Deanco Healthcare, LLC, Los Angeles County Superior Court (Case*
5 *No. 21STCV34724)*. The matter was finally approved for settlement by the Hon. William F. Highberger
6 on April 11, 2023 in the gross amount of \$2,350,000.

7 m. *Scoggins et al. vs. Crossmark, Inc. et al., Ventura County Superior Court (Case No. 56-*
8 *2017-00492936-CU-OE-VTA)*. The matter was finally approved for settlement by the Hon. Matthew P
9 Guasco on January 23, 2020 in the gross amount of \$2,100,000.

10 n. *Smith et al. vs. Burlington Merchandising Corporation et al., San Bernardino County*
11 *Superior Court (Case No. CIVIDS1929684)*. This PAGA settlement was approved by the Hon. David
12 Cohn on October 23, 2020 in the gross amount of \$2,000,000.

13 o. *Castaing et al. vs. Hendrick Automotive Group et al., Alameda County Superior Court*
14 *(Case No. RG17879115)*. The matter was finally approved for settlement by the Hon. Brad Seligman on
15 June 24, 2019 in the gross amount of \$1,850,000.

16 p. *Romero Ramirez and Contreras vs. Yin Management, Inc., Sacramento County Superior*
17 *Court (Case No. 34-2021-00301530-CU-OE-GDS)*. The matter was finally approved for settlement by
18 the Hon. Lauri A. Damrell on September 9, 2022 in the gross amount of \$1,800,000.

19 q. *Westphal vs. New York Life Insurance Company, Placer County Superior Court (Case*
20 *No. S-CV-0040532)*. The matter was finally approved for settlement by the Hon. Michael Jones on
21 September 11, 2018 in the gross amount of \$1,701,366.

22 r. *Williams vs. Kaiser Foundation Health Plan, Inc., Alameda County Superior Court*
23 *(Case No. RG 18917898)*. The matter was finally approved for settlement by the Hon. Stephen Klaus
24 on August 19, 2020 in the gross amount of \$1,250,000.

25 s. *Vega vs. Cen Cal Plastering, Inc., San Joaquin County Superior Court (Case No. STK-*
26 *CV-UOE-2021-0005440)*. The PAGA Settlement was approved by the Hon. George J. Abdallah on
27 April 13, 2022 in the gross amount of \$1,200,000.

1 *t. Berbano and Centeno vs. Ingram Micro, Inc., San Bernardino County Superior Court*
2 *(Case No. CIVDS1826805).* The matter was finally approved for settlement by the Hon. David Cohn on
3 September 17, 2019 in the gross amount of \$1,180,000.

4 *u. Chieffer and Goldenberg vs. WHGM, Inc. (Keyes Motors), Los Angeles County Superior*
5 *Court (Case No. LC106505).* The matter was finally approved for settlement by the Hon. Rupert A.
6 Byrdsong on September 21, 2018 in the gross amount of \$1,150,000.

7 *v. Hollis vs. Union Pacific Railroad Co., Central District of California No. 5:17-Cv-*
8 *02449-JGB (SHKx)).* The matter was finally approved for settlement by the Hon. Jesus G. Bernal on
9 September 19, 2018 in the gross amount of \$1,083,965.

10 *w. Myers vs. Mor Furniture for Less, Inc., San Diego County Superior Court (Case No. 37-*
11 *2018-00055055-CU-OE-NC).* The PAGA Settlement was approved by the Hon. Ronald Frazier on
12 November 27, 2018 in the amount of \$1,062,000.

13 *x. Grotte vs. Normal Life of California, Inc. et al., San Luis Obispo County Superior Court*
14 *(Case No. 18CV-0672).* The matter was finally approved for settlement by the Hon. Tana L. Coates in
15 the gross amount of \$1,050,000 on June 24, 2020.

16 *y. Wilson et al. vs. DGDG I, LLC et al. (Del Grande Automotive Group), Santa Clara*
17 *County Superior Court (Case No. 2018-1-CV-331434).* The matter was finally approved by the Hon.
18 Thomas E. Kuhnle on January 17, 2020 in the gross amount of \$1,024,963.71.

19 *z. Chachavac vs. Kumar Management Corporation, San Mateo County Superior Court*
20 *(Case No. 22-CIV-03110).* The matter was finally approved by the Hon. Nancy L. Fineman on April
21 16, 2024 in the gross amount of \$1,000,000.

22 *aa. Perea vs. Drybar Holdings LLC, Los Angeles County Superior Court (Case*
23 *No.BC703413).* The matter was finally approved for settlement by the Hon. Yolanda Orosco on
24 September 9, 2019 in the amount of \$1,000,000.

25 *bb. Ali vs. Auto Nation, Inc. et al., San Diego County Superior Court (Case No. 37-2018-*
26 *00037616-CU-OE-CTL).* The PAGA settlement was approved by the Hon. Ronald Frazier on
27 November 14, 2019 in the gross amount of \$851,000.

1 *cc. Qunicho vs. Café Rio, San Bernardino County Superior Court (Case No.*
2 *CIVDS2011822).* The PAGA settlement was approved by the Hon. Janet Frangie on December 14,
3 2021 in the gross amount of \$835,000.

4 *dd. Zamudio vs. Changing Lives Staffing et al, San Bernardino County Superior Court*
5 *(Case No. CIVSB2120359).* The matter was finally approved for Settlement by the Hon. Joseph T. Ortiz
6 on September 13, 2023 in the gross amount of \$820,041.32.

7 *ee. Ashe vs. Farmers Insurance Exchange et al., Los Angeles County Superior Court (Case*
8 *No. 18STCV00453).* This Fair Credit Reporting Act class action was finally approved by the Hon.
9 Steven J. Kleifield on August 6, 2020 in the gross amount of \$800,000.

10 *ff. Anderson vs. ABC Phones of North Carolina, Inc., Contra Costa County Superior Court*
11 *(Case No. MSC20-00957).* The PAGA settlement was approved by the Hon. Edward G. Weil on
12 August 31, 2021 in the gross amount of \$790,000.

13 *gg. Martinez vs. Vieira Agricultural Enterprises, LLC, Merced County Superior Court*
14 *(Case No. 19CV-04603).* The matter was finally approved for settlement by the Hon. Brian McCabe on
15 February 26, 2021 in the gross amount of \$775,000.

16 *hh. Pia vs. 5G's Automotive, Inc., Tulare County Superior Court (Case No. VCU274628).*
17 The matter was finally approved for settlement by the Hon. Brett Hillman on September 6, 2019 in the
18 gross amount of \$750,000.

19 *ii. Herrera vs. Inland Staffing et al., San Bernardino County Superior Court (Case No.*
20 *CIVDS2924284).* The matter was finally approved for settlement by the Hon. David S. Cohn on March
21 10, 2021 in the gross amount of \$750,000.

22 *jj. Kennedy vs. 99 Cents Only Stores, LLC, Los Angeles County Superior Court (Case No.*
23 *19STCV09311).* The PAGA settlement was approved by the Hon. Anthony Mohr on November 19,
24 2019 in the gross amount of \$700,000.

25 *kk. Ramirez vs. Hall Management Corp., San Luis Obispo County Superior Court (Case No.*
26 *22CVP-0065).* Judgment was entered on the finally approved settlement by the Hon. Craig van Rooyen
27 on September 19, 2024 in the gross amount of \$698,734.73.

1 *ll. Sumlin vs. BNSF Railway Company, San Bernardino County Superior Court (Case No.*
2 *CIVDS1724126)*. The matter was finally approved for settlement by the Hon. David Cohn on
3 September 5, 2018 in the gross amount of \$675,000.

4 *mm. Brown vs. Saks and Company, LLC, Central District of California (CV 17-04210*
5 *SJO (JEM))*. This matter was finally approved for settlement by the Hon. S. James Otero on March 22,
6 2018 in the gross amount of \$638,800.

7 *nn. De La Hoya vs. Sierra West Finish, Inc., San Bernardino County Superior Court (Case*
8 *No. CIVSB2107351)*. The matter was finally approved for settlement by the Hon. David Cohn on July
9 13, 2022 in the gross amount of \$625,000.

10 *oo. Myers vs. LBC Limited Partnership, San Bernardino County Superior Court (Case No.*
11 *CIVDS 1715068)*. The matter was finally approved for settlement by the Hon. Janet Frangie on July 25,
12 2018 in the gross amount of \$600,000.

13 *pp. Bunkley vs. DMSD Foods et al., San Diego County Superior Court (Case No. 37-2020-*
14 *00017973-CU-OE-CTL)*. This PAGA settlement was approved on July 9, 2021 by the Hon. Richard E.
15 L. Strauss in the gross amount of \$595,000.

16 *qq. Garcia vs. Grower Direct Nut Company, Inc, Stanislaus County Superior Court (Case*
17 *No. CV-21-005425)*. This matter was finally approved by the Hon. John D. Freeland on May 19, 2023
18 in the gross amount of \$553,520.

19 *rr. Garcia vs. Optima Tax, Orange County Superior Court (Case No. 30-2019-01082473-*
20 *CU-OE-CXC)*. This PAGA settlement was approved on July 31, 2020 by the Hon. William Claster in
21 the gross amount of \$550,000.

22 6. In my opinion, I am experienced and qualified to evaluate the PAGA claims and
23 viability of the defenses. I have extensive experience with employment litigation, and have focused my
24 practice primarily on cases regarding wage and hour class actions and representative PAGA actions.

25 7. Based upon my experience and after factoring in the risks explained herein, I believe
26 that the proposed settlement is fair and reasonable. Indeed, it is my opinion for the reasons set forth
27 herein and in Plaintiff's concurrently filed Motion for Approval of PAGA Settlement that the proposed
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1 settlement represents a good result in this litigation based upon the risk factors associated with the
2 claims and provides substantial benefits to the state of California. As such and for the reasons set forth
3 below, I believe that Plaintiff's Proposed PAGA Settlement should be approved.

4 **PROCEDURAL AND FACTUAL HISTORY**

5 8. On January 23, 2024 Plaintiff filed and served a PAGA notice alleging that Defendant
6 violated Labor Code §§ 201, 202, 203, 204, 210, 226, 226.2, 226.3, 510, 558, 1174, 1174.5, 1194,
7 1197, 1197.1, and 1198. Attached hereto as **Exhibit 1** is a true and correct copy of Plaintiff's January
8 23, 2024 PAGA Notice.

9 9. On January 23, 2024, Plaintiff filed a Class Action Complaint alleging class claims
10 based upon many of the same factual predicates as Plaintiff's PAGA notice. On March 29, 2024, after
11 exhausting PAGA's administrative waiting period, Plaintiff filed an amended complaint alleging class
12 and PAGA claims.

13 10. The Parties also began discussing procedural issues, including the arbitration agreement
14 signed by Plaintiff and its potential impact on the case as well as the possibility of mediation. In light of
15 the arbitration agreement, Plaintiff offered to stipulate to dismiss his class claims without prejudice and
16 to proceed on an individual and PAGA basis. The Court dismissed the class claims without prejudice
17 on October 21, 2024.

18 11. The Parties agreed to mediate this case and scheduled a mediation with the Hon.
19 Stephen Sundvold.

20 12. As part of the Mediation process, Defendant provided Plaintiff with information about
21 the number of allegedly aggrieved employees (104), the number of pay periods at issue during the
22 PAGA period (4,665), time and pay records for 99 aggrieved employees, and relevant policy
23 documents through August 29, 2024.

24 13. In advance of the Mediation, the Parties also continued to engage directly about
25 potential settlements, and ultimately reached the Proposed Settlement before the scheduled mediation.
26 Plaintiff now seeks approval of the Parties' proposed Settlement as required by PAGA. A true and
27 correct copy of the Parties' Proposed Settlement is attached hereto as **Exhibit 2**.

14. The Proposed Settlement was provided to the LWDA as required by PAGA. Attached hereto as **Exhibit 3** is a true and correct copy of the email confirmation received from the LWDA for the submission of the Proposed Settlement.

15. Using the informal discovery provided by Defendant regarding the number of aggrieved employees and the number of pay periods at issue through August 29, 2024, I performed an extrapolation for the period between August 29, 2024 to the end of the PAGA period (December 16, 2024) and determined that there were an estimated total of 124 aggrieved employees who worked approximately 5,543 pay periods

THE PROPOSED SETTLEMENT

16. The Parties' Proposed Settlement provides for a Gross Settlement Amount of \$100,000.00 subject to the following proposed allocation:

Gross Settlement Amount:	\$100,000.00
Attorneys' Fees: (1/3)	up to \$33,333.33
Case Costs:	up to \$3,470.66
Settlement Administration Costs:	\$3,650.00
Service Award for Plaintiff Perez:	up to \$5,000.00

Estimated Net PAGA Penalties:	\$54,546.01
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17. The Net PAGA Payment is the amount to be distributed to the LWDA and the aggrieved employees and consists of the Gross Settlement Amount minus Court Approved PAGA Counsel's attorneys' fees and litigation costs, the settlement administrator costs charged by third-party settlement administrator ILYM Group, and Plaintiff Perez's proposed service award. The Net PAGA Payment Amount will be allocated pursuant to the version of Labor Code section 2699(i) that applies to this pre-PAGA reform action with 75% paid to the LWDA (\$40,909.51) and 25% paid to the aggrieved employees on a pro-rata basis (\$13,636.50).

18. The portion of PAGA penalties distributed to each PAGA Aggrieved Employee shall be calculated by dividing the number of PAGA periods worked by an aggrieved employee during the covered period by the total number of pay periods worked by all aggrieved employees during the

covered period (5,543)¹ and multiplying that amount by the 25% of the net PAGA penalties awarded to the aggrieved employees (*i.e.* \$13,636.50).

19. Based on the data provided by Defendant, the Proposed Settlement itself represents a gross PAGA penalty award of approximately \$18.04 per pay period (\$100,000.00/5,543 pay periods) and a net PAGA penalty award of approximately \$9.84 per pay period (\$54,546.01/5,543 pay periods).

20. In addition, the average estimated gross settlement award per aggrieved employee is \$806.45 (\$100,000 gross settlement amount/124 aggrieved employees), the average estimated net settlement award when taking into account the proposed attorneys' fees, case expenses, Plaintiff's proposed service award, and PAGA's 75%/25% split between the state and aggrieved employees is approximately \$109.97 (\$13,636.50 Net PAGA Penalties for the aggrieved employees/124 aggrieved employees), the minimum estimated net settlement award is approximately \$2.46 ((1 pay period worked during the PAGA period/5,543 PAGA pay periods) x \$13,636.50 (the aggrieved employees' 25% share of PAGA penalties)), and the maximum estimated net settlement award is approximately \$243.55 ((99 pay periods² worked during the PAGA period/5,543 PAGA pay periods) x \$13,636.50 (the aggrieved employees' 25% share of PAGA penalties)).

21. In my opinion, the proposed method of allocation, which reflects the amount of time an aggrieved employee worked during the PAGA Period relative to the other employees, is fair and reasonable.

22. In my opinion, the proposed Settlement—is a fair and reasonable settlement in light of the nature of the claims, the complexities of the case, the state of the law, and the uncertainties of litigation, and the unique facts of this case.

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¹ Defendants provided informal discovery indicating that there were approximately 4,665 pay periods as of August 29, 2024, which was the date of the most current data pull, extrapolated through December 16, 2024 there are approximately 124 aggrieved employees who worked 5,543 PAGA pay periods.

² This is the maximum number of weeks that an aggrieved employee could have worked for Defendant during the PAGA Period. Between January 23, 2023 through December 16, 2024, there are approximately 99 workweeks during the PAGA period. Since Defendant paid the allegedly aggrieved employees on a weekly basis, there are 99 pay periods during the PAGA period.

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24. Although I was confident that Plaintiff would prevail on his PAGA claim that Defendant failed to maintain accurate time records, in my opinion significant risk existed that the Court might not award a significant amount of PAGA penalties. Defendant advised that it intended to argue that its time records were accurate, and that to the extent Defendant's time records were inaccurate, any alleged inaccuracies arose from its generosity in allowing employees to remain on the clock while on meal periods and to be paid for time that they did not actually worked.

26. I determined the maximum value of the Labor Code § 1174 related PAGA claim to be \$62,000 (PAGA penalties assessed at the \$500.00 per employee penalty = 124 employees x \$500 per employee penalty = \$62,000). However, for the reasons previously explained, some risk existed that the Court might award a lesser amount of PAGA penalties. As such, Plaintiff determined the risk adjusted value of the PAGA penalties associated with the alleged failure to maintain accurate time records to be \$29,450.00 calculated as follows: \$62,000.00 maximum potential PAGA penalty x .95 (95% chance that Plaintiff would prevail on the merits of this claim) x .5 (50% chance that the Court would reduce the potential penalty and/or award a nominal amount of as little as a dollar per pay period).

1 provide Plaintiff and the other aggrieved employees with paid duty-free rest periods of ten (10)
2 minutes for every major fraction of four (4) hours worked. Specifically, Plaintiff alleged that
3 Defendant used either a pure piece rate compensation system that does not provide separate
4 compensation for rest periods, failing to pay for the non-productive time associated with rest periods,
5 and/or failing to compensate Plaintiff and the other aggrieved employees at the greater of the
6 minimum wage rate then in effect or the heightened stepped up basis required by Labor Code § 226.2.

7 28. Plaintiff also alleged that at times during the applicable period Defendant paid Plaintiff
8 and the aggrieved employees a flat rate based upon the number of square feet of work completed
9 and/or other similar methods that did not include separate compensation for the non-productive time
10 associated with rest periods. Plaintiff also alleged that Defendant failed to pay and/or underpaid rest
11 period premiums.

12 29. While I was confident that Plaintiff could likely establish that Defendant failed to
13 provide him and the other 10 aggrieved employees who experienced this issue, the informal discovery
14 provided by Defendant indicated that there were only 183 pay periods where aggrieved employees
15 were paid under a pure piece rate compensation system.

16 30. I determined the maximum value of this PAGA claim to be \$18,300 (PAGA penalties
17 assessed at the \$100 per pay period initial violation rate = 183 pay periods under a pure piece rate
18 compensation scheme x \$100 per pay period PAGA penalty = \$18,300). I did not anticipate that the
19 Court would make a significant modification to the piece rate rest period related PAGA penalties
20 because of the nature of the violations and the clarity of the law with respect to the alleged violations.
21 Nevertheless, I determined the risk adjusted value of the PAGA penalties associated with the rest
22 period claims to be \$16,470 calculated as follows: \$18,300 maximum potential PAGA penalty x .9
23 (90% chance that Plaintiff would prevail on the merits of this claim).

24 31. Plaintiff alleged that Defendant violated California's minimum wage laws by failing to
25 pay Plaintiff and the subset of employees who only received piece rate compensation for the non-
26 productive time associated with rest periods, daily meetings, safety briefings, trainings, moving tools
27 and equipment, reporting progress to supervisors, discussing projects and assignments with other
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1 employees, engaging in required and/or expected pre-productive time and post-productive time
2 activities. Plaintiff also alleged that to the extent that Defendant estimated the non-productive time,
3 such estimates were not reasonable nor a good faith error within the meaning of Labor Code section
4 226.2. As with the rest period claim, Plaintiff alleged that Defendant's piece rate compensation
5 scheme failed to pay him and some of the other aggrieved employees for their non-productive time
6 since they could not earn wages while resting. Plaintiff also alleged that Defendant failed to pay
7 Plaintiff and the other aggrieved employees for off-the-clock work.

8 32. While I was confident that Plaintiff could likely establish that Defendant failed to pay
9 him and the other 10 aggrieved employees who experienced the piece-rate issue minimum wages for
10 all hours worked, the informal discovery provided by Defendant indicated that there were only 183
11 pay periods where aggrieved employees were paid under a pure piece rate compensation system. In
12 my opinion, significant risk existed that the Court could decline to award meaningful multiple PAGA
13 penalties for the same underlying conduct and/or exercise significant discretion when awarding these
14 PAGA penalties that are largely derivative of the same factual predicate as the failure to provide
15 lawful paid-rest periods. With respect to the potential non-piece rate off-the-clock related minimum
16 wage claims, it was uncertain whether or not Plaintiff would have prevailed on this claim due to the
17 difficulty in establishing general off-the-clock claims.

18 33. If Plaintiff established the existence of the general off-the-clock claims, I determined
19 that the maximum value of those claims would have been \$554,300 (\$100.00 per pay period PAGA
20 penalty x 5,543 estimated PAGA pay periods).

21 34. However, for the reasons explained above, I did not believe that it was likely that
22 Plaintiff would prevail on the non-piece rate compensation scheme related minimum wage claim and,
23 in my opinion, it was unlikely that the Court would award a meaningful or non-negligible amount of
24 PAGA penalties associated with this claim because it arises from the same alleged conduct giving rise
25 to the PAGA penalties for failure to provide lawful paid rest periods. As such, I determined the risk
26 adjusted value of the PAGA penalties associated with the minimum wage claims to be \$27,623.50
27 calculated as follows: \$18,300.00 maximum potential PAGA penalty for the piece rate associated
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1 minimum wage claim x .9 (90% chance that Plaintiff would prevail on the merits of the piece rate
2 related minimum wage claim) x .05 (95% chance that the Court would reduce the potential penalty
3 and/or award a nominal amount of as little as a dollar per pay period if Plaintiff prevailed) + \$536,000
4 maximum PAGA penalties (\$554,300 total maximum potential PAGA penalties - \$18,300 PAGA
5 penalties already included for the pay periods where aggrieved employees were paid on a piece rate
6 basis) x .05 (5% chance that Plaintiff would prevail on the merits of the general off-the-clock related
7 PAGA claims).

8 35. Plaintiff alleged that Defendant failed to pay Plaintiff and all aggrieved employees
9 overtime wages when they worked more than eight (8) hours in a day and/or forty (40) hours in a
10 week, failed to pay for off-the-clock work, and failed to include piece rate compensation and/or
11 compensation at the higher stepped up basis for non-productive time required under Labor Code §
12 226.2, non-discretionary bonuses, incentive payments, and attendance bonuses when calculating and
13 paying overtime wages. As a result of the practices described above, Plaintiff further alleged that
14 Defendant often misclassified overtime hours as regular hours resulting in the underpayment of
15 overtime wages and also failed to provide at least some aggrieved employees with any compensation
16 for overtime hours whatsoever.

17 36. While I was confident that Plaintiff would prevail on his overtime related PAGA claim
18 if he could establish any of his minimum wage and/or piece rate associated claims, in my opinion,
19 significant risk existed that the Court would exercise significant discretion when awarding these
20 largely derivative PAGA penalties.

21 37. I determined the maximum value of the overtime related PAGA claim to be \$554,300
22 (\$100.00 per pay period PAGA penalty x 5,543 estimated PAGA pay periods). However, I did not
23 believe that the Court would award a non-negligible amount of PAGA penalties as this would have
24 required the Court to make a 3rd or 4th award of PAGA penalties against Defendant for the same
25 alleged violation, which seemed unlikely due to the unique factual circumstances of this case where
26 aggrieved employees may have been overpaid due to Defendant's practice of paying employees for at
27 least some of the time associated with meal periods where they did not perform work and were not
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1 entitled to compensation under the Labor Code. Further, even if Plaintiff could establish that such
2 amounts formed a regular and expected amount of the aggrieved employees' compensation and
3 therefore remained compensable, in my opinion, it was still unlikely that the Court would have
4 awarded a number of stacked or multiple PAGA penalties under these unique factual circumstances.

5 38. Plaintiff alleged that Defendant failed to include piece rate compensation, non-
6 discretionary production bonuses, attendance bonuses, any other form of non-discretionary bonus
7 and/or incentive payment when calculating and paying sick pay. Based upon an extrapolation of an
8 analysis of the pay records produced by Defendant, there were approximately 209 pay periods where
9 aggrieved employees earned sick pay.

10 39. I determined the maximum value of the sick pay related PAGA claim to be \$20,900.00
11 (\$100.00 per pay period PAGA penalty x 209 estimated PAGA pay periods with sick pay). As with
12 the other claims, I did not believe that the Court was likely to award a significant amount of PAGA
13 penalties because Plaintiff would already receive one or more PAGA penalties based upon similar
14 issues related to Defendant's compensation scheme. Accordingly, I determined the risk adjusted value
15 of this claim to be \$209.00 calculated as follows: \$100.00 per pay period PAGA penalty x 209
16 estimated PAGA pay periods with sick pay x .01 (99% chance of a significant award of stacked
17 PAGA penalties without the court exercising its discretion to reduce the amount of PAGA penalties).

18 40. Plaintiff alleged a derivative wage statement related PAGA claim based upon
19 Defendant's alleged failure to pay minimum wages, overtime wages, for non-productive time at the
20 stepped up basis required by Labor Code § 226.2, underpayment of sick pay, and allegedly owed rest
21 period premiums. As discussed above, I was confident that Plaintiff would prevail on the underlying
22 claims as well as the derivative wage statement claims. Nevertheless, in my opinion, real risk existed
23 that the Court could decline to stack—meaning award multiple PAGA penalties for the same
24 underlying conduct—and/or exercise significant discretion when awarding these derivative PAGA
25 penalties.

26 41. I determined the maximum value of the wage statement related PAGA claim to be
27 \$554,300 (PAGA penalties assessed at the \$100 per pay period initial violation rate under Labor Code
28

1 section 2699.3 = 5,543 pay periods x \$100 = \$554,300).

2 42. However, for the reasons previously explained, I did not believe that the Court would
3 award a meaningful or non-negligible amount of PAGA penalties associated with the wage statement
4 related PAGA claim because it arises from the same alleged conduct giving rise to several sets of
5 PAGA penalties already. As such, I determined the risk adjusted value of the PAGA penalties
6 associated with the wage statement claims to be \$4,988.70 calculated as follows: \$554,300.00
7 maximum potential PAGA penalty x .9 (90% chance that Plaintiff would prevail on the merits of this
8 claim) x .01 (99% chance that the Court would reduce the potential penalty and/or award a nominal
9 amount of as little as a dollar per pay period if Plaintiff prevailed).

10 43. Plaintiff also brought derivative PAGA claims for the late payment of wages during
11 employment under Labor Code §§ 204 and 210. Since these claims were derivative in nature Plaintiff
12 first had to prevail on his other underlying PAGA claims.

13 44. While Plaintiff was confident that he would prevail on this claim if he could establish
14 any of the other PAGA claims, significant risk existed that the Court could decline to stack—meaning
15 award multiple PAGA penalties for the same underlying conduct—and/or exercise significant
16 discretion when awarding these derivative PAGA penalties.

17 45. I determined the maximum value of the Labor Code § 204 related PAGA claim to be
18 \$554,300 (PAGA penalties assessed at the \$100 per pay period initial violation rate under Labor Code
19 section 2699.3 = 5,543 pay periods x \$100 = \$554,300). However, for the reasons previously
20 explained, I did not believe that the Court would award a meaningful or non-negligible amount of
21 PAGA penalties associated with this claim because it arises from the same alleged conduct giving rise
22 to several sets of PAGA penalties already and based upon the unique facts of this case. As such, I
23 determined the risk adjusted value of the PAGA penalties associated with the failure to timely wages
24 during employment related PAGA claims to be \$4,988.70 calculated as follows: \$554,300.00
25 maximum potential PAGA penalty x .9 (90% chance that Plaintiff would prevail on the merits of this
26 claim) x .01 (99% chance that the Court would reduce the potential penalty and/or award a nominal
27 amount of as little as a dollar per pay period if Plaintiff prevailed).

1 46. Plaintiff brought non-derivative and derivative PAGA claims alleging that Defendant
2 failed to timely pay the aggrieved employees upon separation within the time constraints of Labor
3 Code § 201-203.

4 47. The informal discovery provided by Defendant indicated that there were 28 aggrieved
5 employees including Plaintiff whose employment ended during the PAGA period. Accordingly, there
6 are only twenty-eight (28) potential pay periods where an employee could not timely receive their
7 final wages and a maximum of \$2,800.00 in potential PAGA penalties. After factoring in the risks
8 associated with the claims and the discretionary nature of the PAGA penalties and questionable
9 viability of stacking and the unique circumstances of this case, in my opinion this claim possessed
10 negligible value.

11 48. There are also always risks attendant to wage and hour cases given the evolving nature
12 of such claims. Given the ever-evolving landscape of wage and hour law, there are always risks that a
13 new case will come out that will clarify and/or potentially limit employees' claims. For example,
14 although generally it was well-established that employees could recover both wage statement and
15 waiting time penalties based upon an employer's failure to provide lawful meal/rest periods, a recent
16 appellate case held that such penalties are not recoverable before it was later overturned. *Naranjo v.*
17 *Spectrum Security Services, Inc.*, 40 Cal. App. 5th 444 (2019); *aff'd in part, rev'd in part and*
18 *remanded* 13 Cal. 5th 93, (2022). Similarly, in another recent decision, the California Court of Appeal
19 held that employers could pay employees meal/rest period premiums at the employee's hourly base
20 rate instead of at their regular rate before that decision was also overturned by the California Supreme
21 Court. *Ferra v. Loews Hollywood Hotel, LLC*, 40 Cal. App. 5th 1239 (2019) rev'd, 11 Cal. 5th 858
22 (2021). While Plaintiff was confident that he would prevail on his claims based upon present law, the
23 plaintiffs in *Ferra* and *Naranjo* likely believed they would have as well, and actually did on their
24 derivative claims prior to the California Court of Appeal's recent ruling and before each matter was
25 eventually reversed by the California Supreme Court. As the California Court of Appeal explained in
26 the now overturned *Naranjo* decision, "[a]lthough wage and hour lawsuits are ubiquitous in state
27 courts, most settle before trial. Consequently, our appellate courts have not had much opportunity to
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1 publish decisions addressing the derivative wage claim issue[s].” *Naranjo*, 40 Cal. App. 5th at 468.
2 While Plaintiff acknowledges that the California Supreme Court reversed in both cases, each
3 nevertheless are emblematic of the inherent risk associated with litigating wage and hour cases and the
4 fact that a new appellate decision can dramatically alter the strength of the employees’ claims at any
5 time. Indeed, *Naranjo* was appealed again to the California Supreme Court where the Court ruled in
6 the employer’s favor. *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1064 (2024). And,
7 PAGA itself was amended during the pendency of this Action.

8 49. In addition, as with any PAGA case, significant risk exists with respect to the amount
9 of PAGA penalties that a Court may award given their discretionary nature. Under PAGA, Courts can
10 exercise their discretion to reduce the amount of penalties awarded. Indeed, one court in San Diego
11 awarded \$5.00 per pay period.

12 50. Given the risks outlined above, the issues in this case were complex and the risks for
13 Plaintiff and the aggrieved employees were substantial. Due to the complexity and unsettled nature of
14 the issues in this case—including a dearth of case law regarding the valuation of the PAGA penalties
15 at issue—it is also likely that any outcome at trial would have resulted in a lengthy and costly appeal.

16 51. It was very difficult for the Parties to reach this Settlement. Defendant denied that
17 Plaintiff’s claims had any merit, and that Plaintiff could prevail on the PAGA claims or that California
18 law had been violated.

19 52. I did not believe that in light of the risk associated with each claim and the numerous
20 legal issues explained in detail above that the maximum possible settlement amount was a remotely
21 plausible outcome given Defendant’s defenses and the discretionary nature of the PAGA penalties.

22 53. Moreover, assuming Plaintiff established liability for these pay periods and Plaintiff
23 achieved a result equal to *Carrington* of \$5.00 per pay period, the aggrieved employees would have
24 recovered a mere \$27,715.00 (5,543 pay periods x \$5.00 per pay period) in PAGA penalties. The
25 proposed settlement of \$100,000.00 therefore represents approximately 360.82% (\$100,000.00
26 /\$27,715.00) of the recovery obtained in *Carrington* and the net PAGA penalties alone represent
27 approximately 196.81% (\$54,546.01/\$27,715.00) of the recovery obtained in *Carrington*. *Id.* As
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1 illustrated by the comparison to *Carrington*, the results obtained by Plaintiff are favorable comparable
2 to those obtained in some PAGA cases where the aggrieved employees prevailed at trial. *Id.* Given
3 that Plaintiff achieved a better result than a case where liability was established, the proposed
4 settlement unquestionably falls within the range of reasonableness.

5 54. After weighing the risks associated with each of the claims in light of the factual
6 challenges as well as Defendant's potential defenses and the discretionary nature of PAGA penalties, I
7 determined the amount offered in settlement was fair and reasonable considering the risks and the
8 likelihood of success on the merits.

9 55. When taking into account the stacking of PAGA penalties and assuming a 100%
10 violation rate on every single claim, and without taking into account any of Defendant's significant
11 defenses or the discretionary nature of PAGA penalties, Plaintiff and PAGA Counsel determined the
12 maximum exposure on the PAGA claims to be \$2,318,400.00 as explained in detail above

13 56. Although theoretically this is the maximum potential recovery in this action if Plaintiff
14 achieved complete and total victory based purely upon PAGA's mathematical formulas, I did not
15 believe that this constituted a remotely plausible approximation of the actual expected recovery given
16 Defendant's significant defenses to several of the claims, the significantly lower actual violation rates,
17 the Court's ability to decline to award stacked PAGA penalties and/or exercise its discretion to reduce
18 the amount of PAGA penalties awarded, and the nature of many of the violations. Rather, in my
19 opinion, the realistic settlement value of the PAGA claims was \$89,272.90 and that assumes that
20 Plaintiff prevails on the claims, his PAGA penalty stacking theory, and that the Court declines to find
21 that a higher penalty amount would not be "unjust, arbitrary, and oppressive, or confiscatory."

22 **ATTORNEYS FEES' AND COSTS**

23 57. I am familiar with the contingent fee market throughout California, particularly as it
24 pertains to complex employment, wage and hour, class action, and PAGA litigation. During this
25 litigation, my firm litigated this case without receiving any payment for our services or reimbursement
26 of the costs incurred for the benefit of the Class, the state of California, and the aggrieved employees.
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1 58. On behalf of my firm, I have negotiated numerous contingency fee agreements with
2 plaintiffs, both as individuals and as representatives in class action and PAGA suits. Many of those
3 agreements provided that counsel will receive a fee that is between 33.33% and 50% of any recovery
4 that is obtained, and, in addition, that counsel be reimbursed for the costs they incurred out of the
5 recovery amount.

6 59. Winston Law Group, P.C. has never been paid any money for attorneys' fees in this
7 case and has advanced costs.

8 60. There are always risks attendant to billing cases on a contingency basis. It is not a
9 foregone conclusion that every case taken on a contingency fee basis will result in a recovery or that
10 the attorneys' fees recovered will actually compensate my firm for the amount of time expended in an
11 action. Moreover, even when successful, a class action/PAGA contingency law firm may only receive
12 a small percentage of the amount of attorneys' fees incurred during the prosecution of a case as here.
13 Where Plaintiff's counsel does succeed, therefore, it is appropriate to compensate the firm for the risks
14 the firm regularly undertakes. There is also always the possibility that the Plaintiff will not prevail and
15 PAGA Counsel will not receive any compensation for its services and/or that the Defendant will
16 declare bankruptcy or lack the assets necessary to satisfy any judgment obtained against it. This has
17 happened in a case handled by Winston Law Group, P.C. For instance, in *Chamberlain vs. United*
18 *Airlines, Inc.*, Case No.: 3-18-cv-05246-RS, my firm spent more than 62.90 hours on the case and did
19 not receive any compensation for the \$28,934.00 in attorney time expended on the case.

20 61. When awarding attorneys' fees, courts have discretion to choose among two different
21 methods for calculating a reasonable attorney's fees award: 1) the common fund approach; or 2) the
22 lodestar approach *See Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 504 (2016) ("The choice of a fee
23 calculation method is generally one within the discretion of the trial court, the goal under either the
24 percentage or lodestar approach being the award of a reasonable fee to compensate counsel for their
25 efforts.") In *Laffitte*, the California Supreme Court held that "[t]he recognized advantages of the
26 percentage method – including relative ease of calculation, alignment of incentives between counsel
27 and the class, a better approximation of market conditions in a contingency case, and the
28

1 encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging
2 litigation – convince us the percentage method is a valuable tool that should not be denied by our trial
3 courts.” *Id.* (emphasis added). Similarly, the Ninth Circuit has found that counsel should not “receive
4 a lesser fee for settling a case quickly.” *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043 (9th Cir. 2002).
5 Such an award is especially appropriate, whereas here, PAGA Counsel efficiently prosecuted the
6 action and reached a settlement without unnecessarily exhausting Defendant’s resources.

7 62. I am familiar with the amounts awarded by other courts where there is a common fund
8 recovery, including in similar matters. For instance, the California Court of Appeal in *Amaro v.*
9 *Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021) recently recognized “‘fee awards in
10 class actions average around one-third of the recovery’” regardless of “‘whether the percentage
11 method or the lodestar method is used.’” *Id.* (quoting *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66,
12 fn. 11 (2008)). This is consistent with findings made by other courts. *McCrary v. Elations Co., LLC*,
13 No. EDCV 13-0242 JGB (SPx), 2016 U.S. Dist. LEXIS 24050, at *2 (C.D. Cal. Feb. 25, 2016)
14 (“California Courts have consistently recognized “that most fee awards based on either a lodestar or
15 percentage calculation are 33%.”); *McClellan v. Chase Home Fin. LLC*, No. SACV 12-1331-JGB
16 (JEMx) 2015 U.S. Dist. LEXIS 118005, at *20 (C.D.Cal. Aug. 31, 2015) explaining that while the
17 attorneys’ fee award that approximated 32% of all sums paid under the Settlement Agreement was
18 reasonable after citing numerous other cases finding that an award of 33% of the common fund was
19 common in class actions.).

20 63. In my opinion, the common fund method represents a fair means of calculating
21 attorneys’ fees in this Action because it recognizes not just the time spent on the case, but also the
22 additional contributions and skill of Counsel in identifying issues.

23 64. My firm’s diligent and efficient litigation of this action resulted in the creation of an
24 ascertainable common fund of \$100,000.00 that will benefit the state of California and the aggrieved
25 employees despite the significant risks associated with the claims. In my opinion, a request for an
26 award of 1/3 of the monetary value of the Settlement Fund should be approved.

65. In *Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 506 (2016), the California Supreme Court held that a trial court need not even conduct a lodestar cross-check. *Id.* at 506 (“We hold further that trial courts...retain the discretion to forgo a lodestar cross-check.”) (emphasis added). Therefore, in my opinion consistent with *Laffitte*, a cross-check is not necessary nor would a lodestar award reflect the market conditions for the negotiation of contingency fee agreements as such arrangements are by-and-large done on a percentage basis.

66. I understand that recently, the California Court of Appeal recognized in a published appellate decision that attorneys’ fees can be awarded under California law in a wage and hour class action to an attorney who did not perform any work on behalf of the class and that even a quantum meruit award “is not measured strictly by hours times hourly rate.” *Hance vs. Super Store Industries*, 44 Cal. App. 5th 676, 694 (2020). In my opinion this suggests that even under the lodestar approach a court must also ascribe and/or consider the non-quantitative value provided by counsel when awarding fees. Notably, in *Hance* one of the attorneys received a portion of the fees despite only having referred the case. The Court noted that the trial court found that a 15% referral or \$645,000 was appropriate for an attorney (William Margolin) who did nothing but refer the case. The *Hance* court also found that another attorney (Steven Waisbren) who did not disclose his lack of malpractice insurance in violation of the ethical rules was entitled to a quantum meruit award that reflected his non-monetary contributions in referring the case to yet another attorney (Steve Miller) and for his work on the matter. In reaching its decision, the Court of Appeal rejected Miller’s argument that a quantum meruit recovery is measured strictly by the hours times hourly rate. *Hance*, 44 Cal. App. 5th at 693 (“Miller...seems to conclude that, if a quantum meruit recovery is appropriate, Waisbren’s recovery of fees must be limited to the hours reflected in his time records, multiplied by a reasonable hourly rate. We do not believe the trial court is bound by such a strict rule.”). The Court of Appeal further noted that “[i]f the class benefitted from Waisbren’s referral of the case to Miller, that referral would appear to constitute part of Waisbren’s contribution to services rendered in support of, the class action, the value of which should be considered in determining the amount of attorneys’ fees to award to

1 Waisbren.” This was despite the fact that another attorney had already received \$645,000 in attorneys’
2 fees or 15% for referring the case to Waisbren who then referred it to Miller.

3 67. In my opinion, in light of *Hance vs. Super Store Industries*, 44 Cal. App. 5th 676, 694
4 (2020), the choice that California Court’s face when awarding attorneys’ fees is whether to make a
5 pure common fund award under the percentage method or a lodestar plus approach that takes into
6 account the non-quantitative contributions of counsel to an action. Simply put, it cannot be that an
7 attorney who violates the ethical rules is entitled to a greater award on a quantum meruit basis than an
8 attorney who follows the rules. Nor would such a result comport with *Hance*, which recognized that
9 Waisbren’s lower quantum meruit award that was not limited to hours worked on the case despite the
10 fact that it was intended to be a punishment for failing to comply with the ethical rules. *Hance*, 44 Cal.
11 App. 5th at 690 (“Although the law firm may be entitled to some compensation for its work, its ethical
12 breach will ordinarily require it to relinquish some or all of the profits for which it negotiated.”).

13 68. While I believe that the Court should make an award of attorneys’ fees under the
14 common fund doctrine, I nevertheless wish to provide information concerning my hourly rate and time
15 expended on the case to permit the Court to run a lodestar cross-check if it desires.

16 69. My hourly rate reflects both my experience with Class and PAGA litigation including
17 participating in the litigation of numerous PAGA matters at the appellate levels. It also reflects the fact
18 that I am a partner at Winston Law Group, P.C. and not an associate and oversaw this litigation. I have
19 been lead or co-lead counsel in numerous multi-million dollar cases.

20 70. My hourly rate was used by the Hon. Brad Seligman of the Alameda County Superior
21 Court when performing a lodestar cross-check on February 28, 2023. Attached hereto as **Exhibit 4** is a
22 true and correct copy of the Minute Order Granting Approval of the Class Action Settlement in
23 *Santillanes vs. 1st Class Laundry*, Alameda County Superior Court Case No. RG21107711.

24 71. My hourly rate has been specifically approved of in other cases including in April 2024
25 in *Chachavac vs. Kumar Management*, San Mateo County Superior Court Case No. 22-CIV-03110
26 where the Court performed a lodestar cross check and found that my hourly rate was reasonable. *See*
27 pages 3-4 of **Exhibit 5** (“Winston spent about 70 hours for a total lodestar of about \$61,000. (Winston
28

Decl., ¶ 30.) Based upon the court’s knowledge and experience in San Mateo County. Plaintiffs contend that the court should take into account the reasonable rate for Los Angeles, but this court disagrees. In any event, that argument is irrelevant because the court has found the hourly rates reasonable for comparable work performed in San Mateo County.”). Attached hereto as **Exhibit 5** is a true and correct copy of the April 2, 2024 Minute Order re: Motion for Final Approval of Class Action Settlement from *Chachavac vs. Kumar Management*, San Mateo County Superior Court Case No. 22-CIV-03110.

72. In my opinion, Counsel who choose to pursue class actions or PAGA actions assist employees in accessing justice where justice would not otherwise be attainable given the relatively small amounts at issue on a per person basis. In order to encourage first rate attorneys to represent plaintiffs on a contingent basis in this type of important litigation, attorneys’ fees awarded should reflect this goal. This issue is even more pronounced where Courts use lodestar rates and don’t account for the other added benefits provided by Class or PAGA Counsel and risks undertaken or acknowledge that the rates used in lodestars are often well below that of the market rates.

73. Although I played a significant role in prosecuting this case, drafting documents, and negotiating the settlement, my contributions also are not merely quantifiable on an hourly basis as I used my expertise to identify claims and issues that catalyzed this significant recovery. *See e.g. Hance vs. Super Store Industries*, 44 Cal. App. 5th 676, 694 (2020) (recognizing that attorneys’ fees can be awarded under California law in a wage and hour class action to an attorney who did not perform any work on behalf of the class and that even a quantum meruit award “is not measured strictly by hours times hourly rate.”).

74. During the prosecution of this action, my firm has also spent time extensively investigating, researching, and litigating this matter, including but not limited to performing the following tasks:

- a. drafting the PAGA Notice;
- b. drafting the Complaint and related documents;
- c. drafting the First Amended Complaint;

- d. conducting informal discovery;
- e. drafting CMC Statements;
- f. drafting Stipulations
- g. negotiating the terms of settlement with Defendant;
- h. drafting the Settlement Agreement and Settlement related documents (letter to the employees and proposed judgment);
- i. communicating with Opposing Counsel;
- j. drafting the Motion for Approval and supporting documents;

75. Although a percentage common fund is both common and universally accepted in wage and hour representative action litigation, I also performed a lodestar analysis for my firm in support of the attorneys' fees request in case the Court wishes to review it. In the exercise of billing discretion Winston Law Group, P.C. also wrote-off over 1.4 hours of work performed by a first-year attorney who is no longer with the firm and excluded these hours entirely from its lodestar calculations:

<u>ATTORNEY</u>	<u>HOURS</u>	<u>HOURLY</u> <u>RATE</u>	<u>TOTALS</u>
David S. Winston	42.20	\$875.00	\$36,925.00
TOTAL ATTORNEYS' FEES for Winston Law Group, P.C.	42.20		\$36,925.00

76. Under the lodestar approach, a base amount is calculated by "multiplying the reasonable hours expended by a reasonable hourly rate." *In re Washington Pub. Power Supply Sys. Secs. Litig.*, 19 F.3d 1291, fn. 2 (9th Cir.1994); *Wershba*, 91 Cal.App.4th at 254; *Serrano III*, 20 Cal.3d at 48. The reasonable hourly rate is that prevailing in the community for similar work. *Margolin v. Regional Planning Com.*, 134 Cal.App.3d 999, 1004–1005 (1982). Typically, the lodestar is merely the starting point of the calculation of a reasonable fee, and courts often multiply the lodestar by a factor to account for the risk of non-payment, delay in payment, the quality of work, and

the novelty and difficulty of the issues involved. *See, e.g., Ketchum v. Moses*, 24 Cal.4th at p. 1132; *see also Serrano III*, 20 Cal.3d at 49; *Radar v. Thrasher*, 57 Cal.2d 244, 253 (1962); *Beasley v. Wells Fargo Bank.*, 235 Cal.App.3d 1407, 1419 (1991); *Coalition for L.A. County Planning v. Bd. of Supervisors*, 76 Cal.App.3d 241, 251 (1977). Multipliers can range from two to four, or even higher. *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 255 (2001).

77. The Ninth Circuit has held that district courts “*must* apply a risk multiplier to the lodestar ‘when (1) attorneys take a case with the expectation they will receive a risk enhancement if they prevail, (2) their hourly rate does not reflect that risk, and (3) there is evidence that the case was risky. Failure to apply a risk multiplier in cases that meet these criteria is an abuse of discretion.’” *Stetson v. Grissom*, 821 F.3d 1157, 1166 (9th Cir. 2016) (*quoting Stanger v. China Elec. Motor, Inc.*, 812 F.3d 734, 741 (9th Cir. 2016).

78. To date my firm has incurred or expects to incur the following expenses in association with this action for which it is seeking reimbursement:

<u>COST</u>	<u>AMOUNT</u>
PAGA Filing Fee	\$75.00
Postage Associated with Service of PAGA Notice by Certified Mail	\$5.56
First Legal Charge for Filing Complaint and related documents (including \$435 Complaint fee and \$1,000 complex fee charged by the Court)	\$1,576.56
First Legal Charge for Filing Peremptory Challenge	\$61.50
First Legal Charge for Service of Complaint and related documents	\$138.70
First Legal Charge for Filing POS of Summons	\$44.70
First Legal Charge for Filing First Amended Complaint	\$97.90
First Legal Charge for Filing Case Management Conference Statement	\$61.50

First Legal Charge for Filing Joint Stipulation and [Proposed] Order to Dismiss Class Claims and the Declaration of David S. Winston In Support of Request to Dismiss Class Claims (including \$20 Stipulation Fee)	\$104.70
Non-Refundable Mediation Fees from JAMS for their case administration –was able to avoid the additional mediation fees by settling before Mediation	\$411.96
ASTA-USA – Certified Translation of PAGA Settlement Agreement	\$688.68
Anticipated - First Legal Charge for Filing Motion for Approval and related documents in Ventura County (includes \$60 Motion Fee charged by the Court). Based upon estimated provided by First Legal for this Filing	\$97.90
Anticipated – Court Call for hearing on Motion for Approval	\$72.00
Copies as of November 5, 2024	(85 copies x \$0.40 per page = \$34.00)
TOTAL CURRENT ESTIMATED COSTS	\$3,470.66

79. Although the aggrieved employees do not possess property rights in a PAGA action and this action is not subject to the class action approval or notice process, the aggrieved employees will receive an explanatory letter, in English and Spanish. *Arias v. Superior Court*, 46 Cal.4th 969 (2009) (explaining that in a PAGA action “nonparty employees...[are] not given notice of the action or afforded an opportunity to be heard.”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1122 (9th Cir. 2014) (“PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action.”); *see also O’Connor v. Uber Technologies, Inc.*, No. 13-CV-03826-EMC, 2016 WL 4398271, at *18 (N.D. Cal. Aug. 18, 2016), (“PAGA does not require class action procedures, such as notice and opt-out rights.”) *citing Iskanian v. CLS Transportation Los*

1 *Angeles, LLC*, 59 Cal. 4th 348, 381 (2014) (emphasis added). Attached hereto as **Exhibit 6** is a true
2 and correct copy of the explanatory letter that the Parties have agreed to send to the aggrieved
3 employees.

4 80. In the interest of transparency, I also wish to disclose to the Court that Plaintiff and
5 Defendant settled Plaintiff's separate individual claims including the individual wage and hour claims
6 pending before the Court in addition to a general release in exchange for \$20,000. PAGA Counsel did
7 not receive compensation or cost reimbursement associated with Plaintiff's individual settlement.
8 Attached hereto as **Exhibit 7** is a true and correct copy of Plaintiff's individual settlement with
9 Defendants.

10 81. Code of Civ. Proc. § 384 requires that any funds associated with uncashed voided
11 checks issued as part of this settlement be paid to "nonprofit organizations or foundations to support
12 projects that will benefit the class or similarly situated persons, or that promote the law consistent with
13 the objectives and purposes of the underlying cause of action, to child advocacy programs, or to
14 nonprofit organizations providing civil legal services to the indigent." In accordance with Code of
15 Civ. Proc. § 384, the Parties propose to designate CASA of Ventura County as the proposed *cy pres*
16 beneficiary. Neither I nor my firm have any interest and/or involvement with the governance of CASA
17 of Ventura County.

18
19 I declare under penalty of perjury under the laws of the State of California that the foregoing is
20 true and correct.

21 Executed this 9th day of January 2025, in Los Angeles, California.

22
23 
24 DAVID S. WINSTON

Exhibit 1

WINSTON LAW GROUP, P.C.

1880 CENTURY PARK EAST SUITE 511 • LOS ANGELES, CA 90067 • (424) 288-4568

Attorneys

David Winston

Lior Barkodar*

*Indicates Of Counsel

January 23, 2024

Via Online Filing with the LWDA & by Certified Mail to Defendant

Goldenwood Truss Corporation
11032 Nardo Street
Ventura, CA 93004

Re: *Juan Jose Pinto Perez vs. Goldenwood Truss Corporation - California Labor Code § 2699 Penalties*

Gentlepersons:

This firm represents Juan Jose Pinto Perez (“Plaintiff” or “Mr. Perez”) and a proposed group of current and former employees working for Goldenwood Truss Corporation (“Defendant” or “Goldenwood”) in California for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.2, 226.3, 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, and 1198 as well as IWC Wage Order No. 16-2001.¹ Mr. Perez wishes to bring a representative action on behalf of the State of California based upon alleged improper acts committed against him and several groups of aggrieved employees defined as:

- (1) all individuals who were employed by Goldenwood Truss Corporation or its predecessor or merged entities in California as a non-exempt employee (whether paid on a piece-rate, hourly and/or piece rate and hourly basis) or other similar position for one or more pay periods from January 23, 2023 and continuing into the present (“Goldenwood Non-Exempt Aggrieved Employees”);
- (2) all individuals who were employed by Goldenwood Truss Corporation or its predecessor or merged entities in California as a non-exempt employee (whether paid on a piece-rate, hourly and/or piece rate and hourly basis) or other similar position and who worked a shift of more than eight (8) hours in a day and/or forty

¹An employee or former employee can bring a claim under PAGA regardless of whether or not they experienced all of the alleged violations as long as they experienced one Labor Code violation. *Huff vs. Securitas Security Services USA, Inc.*, 23 Cal.App.5th 745 (2018) (explaining that there is no typicality requirement in a PAGA action because “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.”) (emphasis added).

(40) hours in a week during a pay period from January 23, 2023 and continuing into the present. (“Overtime Aggrieved Employees”);

- (3) all individuals who were employed by Goldenwood Truss Corporation or its predecessor or merged entities in California as a non-exempt employee (whether paid on a piece-rate, hourly and/or piece rate and hourly basis) or other similar position who worked one or more shifts of more than four (4) hours in length or major fraction thereof from January 23, 2023 and continuing into the present. (“Rest Period Aggrieved Employee”);
- (4) all individuals who were employed by Goldenwood Truss Corporation or its predecessor or merged entities in California as a non-exempt employee (whether paid on a piece-rate, hourly and/or piece rate and hourly basis) or other similar position and who received sick pay at any time between January 23, 2023 and continuing into the present; (“Sick Pay Aggrieved Employee”);
- (5) all individuals who were employed by Goldenwood Truss Corporation or its predecessor or merged entities in California as a non-exempt employee (whether paid on a piece-rate, hourly and/or piece rate and hourly basis) or other similar position and whose employment concluded at any time between January 23, 2023 and continuing into the present; (“Late Payment Aggrieved Employee”);

These groups may all collectively be referred to herein as aggrieved employees and/or all aggrieved employees where appropriate. The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* We herein set forth some of the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and all aggrieved employees.²

Specifically, and among other violations, Plaintiff alleges that Defendant failed to pay him and the other aggrieved employees for their non-productive time, including but not limited to the non-productive time associated with their rest periods (including but not limited to in violation of Labor Code § 226.2), failed to include piece rate compensation when calculating and paying overtime wages and/or pay overtime wages for hours worked in excess of eight (8) hours in a day and/or forty (40) hours in a week, failed to include the total hours worked during the pay

² See *Rojas-Cifuentes v. Sup. Ct.*, 58 Cal.App.5th 1051, 1060 (2020); *Cardenas v. McLane FoodServices, Inc.* (C.D. Cal. Jul. 8, 2011) 796 F. Supp. 2d 1246, 1261; *Moua v. Int'l Bus. Machines Corp.* (N.D. Cal. Jan. 31, 2012) No. 5:10-CV-01070 EJD, 2012 WL 370570, at *5; *York v. Starbucks Corp.*, (C.D. Cal. Nov. 1, 2012) No. CV 08-07919 GAF PJWX, 2012 WL 10890355, at *4.

period and the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis on their wage statement as well as identify the amount of non-productive time worked by Plaintiff and the aggrieved employees in a pay period and the rate of compensation for their non-productive time, failed to pay non-productive time at the heightened stepped-up basis, failed to provide sick pay and/or pay sick pay at the correct rate, failed to timely pay wages during employment and/or after employment (including wages for non-productive time, rest period premiums, sick pay, overtime wages and/or underpaid amounts), and failed to maintain accurate time records.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 226.7 AND IWC WAGE ORDER NO. 16-2001

Labor Code § 226.7 provides “an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission (“IWC”). IWC Wage Order No. 16-2001 requires employers to authorize and permit all employees to take ten (10) minute paid duty free rest periods for every major fraction of four hours worked. “[R]est periods must be separately compensated in a piece-rate system.” *Bluford v. Safeway Stores, Inc.*, 216 Cal. App. 4th 864, 872 (2013), *reh’g denied* (June 18, 2013), *review denied* (Aug. 28, 2013) (explaining that “rest periods must be separately compensated in a piece-rate system. Rest periods are considered hours worked and must be compensated.”) (*citing Armenta v. Osmose, Inc.* 135 Cal.App.4th 314, 323 (2005)).

Following *Bluford*, the Legislature enacted Labor Code § 226.2, which requires employers who compensate employees on a piece-rate basis to provide separate compensation for the non-productive time associated with their rest and recovery periods at a rate that is no less than the higher of: “(i) An average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods. (ii) The applicable minimum wage.” Labor Code § 226.2 also obligates employers to compensate employees at least minimum wage for their other non-productive time.

The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-

hour shift when two are required—***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct., 53 Cal.4th 1004, 1033 (2012) (emphasis added).

Moreover, if a defendant does not offer the employees the opportunity to receive a compliant and appropriately separately compensated rest period, “the court may not conclude employees voluntarily chose to skip...breaks.” *Alberts v. Aurora Behavioral Health Care*, 241 Cal. App. 4th 388, 410 (2015) (“[i]f an employer fails to provide legally compliant meal or rest breaks, the court may not conclude employees voluntarily chose to skip those breaks.”); *accord Brinker*, 53 at 1033 (“No issue of waiver ever arises for a rest break that was required by law but never authorized; if a break is not authorized, an employee has no opportunity to decline to take it.”).

And, an employer who maintains an otherwise compliant rest period policy, “reminded their employees of their availability—and the importance—of taking breaks on a daily basis, and even went so far as to conduct regular audits to ensure that employees were being offered rest breaks” will still be liable for rest period violations if the employees were provided non-compliant unpaid rest periods. *Amaro v. Gerawan Farming, Inc.*, 2016 U.S. Dist. LEXIS 66842 (E.D. Cal. May 19, 2016) *aff’d* *Amaro v. Gerawan*, 2016 U.S. Dist. LEXIS 112540, 2016 WL 4440966, at *11 (E.D. Cal. Aug. 22, 2016); *rev. denied* by 9th Cir. Case No. 0:16-23f-80120 (9th Cir. Nov. 16, 2016); *Aldapa v. Fowler Packing Co.* (E.D.Cal. 2018) 323 F.R.D. 316, 338 (“if plaintiffs are correct in contending that defendants' policy in this regard was in violation of the requirements of California law, it would also be undisputed that defendants failed to provide any ‘rest or recovery period[s] in accordance with a state law’ from March 2011 to November 2013, because class members were unable to take a separately compensated rest period even if they sought to do so.”).

Here, Defendant violated Labor Code §§ 226.2 and 226.7, by failing to provide Plaintiff and the other aggrieved employees with paid duty-free rest periods of ten (10) minutes for every major fraction of four (4) hours worked. This includes, but is not limited to, due to Defendant’s common policy and practice of paying Plaintiff and the other aggrieved employees using either a pure piece rate compensation system that does not provide separate compensation for rest periods, failing to pay for the non-productive time associated with rest periods, and/or failing to compensate Plaintiff and the other aggrieved employees at the greater of the minimum wage rate then in effect or the heightened stepped up basis required by Labor Code § 226.2. For instance, at times during the applicable period Defendant paid Plaintiff and the aggrieved employees a flat rate based upon the number of square feet of work completed and/or other similar methods that did not include separate compensation for the non-productive time associated with rest periods.

These common policies and practices were applied to Plaintiff and the other aggrieved employees, including, but not limited to those aggrieved employees who worked in what was designated on wage statements as the “Home Department: 2 Piece worker/LID.”

Further, on the rare occasion if any that Defendant paid rest period premiums to the aggrieved employees, Defendant improperly paid the premium at the base rate instead of at their regular rate resulting in the underpayment of rest period premiums. Plaintiff contends that Defendant’s policies and practices as alleged above violated Labor Code § 226.7 and seeks penalties pursuant to PAGA related thereto consistent with the California Supreme Court’s decision in *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 878 (2021) (“we hold that the term ‘regular rate of compensation’ in section 226.7(c) has the same meaning of regular rate of pay’ in section 510(a) and encompasses not only hourly wages, but all nondiscretionary payments for work performed by the employee.”).

Based upon the foregoing, Defendant violated Labor Code §§ 226.2, 226.7 and 1198 as well as IWC Wage Order No. 16-2001 with respect to Plaintiff and all aggrieved employees. Plaintiff and the other aggrieved employees who experienced a violation of Labor Code § 226.7 may pursue PAGA penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 226.2, 1194, 1197, 1197.1, 1198 AND IWC WAGE ORDER NO. 16-2001

Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code § 1194 entitles “any employee receiving less than the legal minimum wage...to recover in a civil action the unpaid balance of the full amount of this minimum wage.” IWC Wage Order No. 16-2001 obligates employers to pay each employee minimum wages for all hours worked.

Labor Code § 226.2 requires employers who compensate employees on a piece-rate basis to provide separate compensation for the non-productive time associated with their rest and recovery periods at a rate that is no less than the higher of: “(i) An average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods. (ii) The applicable minimum wage.” Labor Code § 226.2 also obligates employers to compensate employees at least minimum wage for their other non-productive time.

These minimum wage standards apply to each hour employees worked for which they were not paid. Therefore, an employer’s failure to pay for any particular hour of time worked by an employee is unlawful, even if averaging an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta*, 135 Cal.App.4th at 324.

In addition, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Defendant engaged in a common policy and practice of failing to pay Plaintiff and the other aggrieved employees for non-rest period non-productive time including, but not limited to, the time associated with communicating with supervisors, daily meetings, safety briefings, trainings, moving tools and equipment, reporting progress to supervisors, discussing projects and assignments with other employees, engaging in required and/or expected pre-productive time and post-productive time activities and on many other tasks when the employee was not actively involved in construction of trusses and able to complete a square foot, unit, and/or other unit of measurement.

Alternatively, Plaintiff also alleges that to the extent that Defendant estimated the non-productive time, such estimates were not reasonable nor a good faith error within the meaning of Labor Code section 226.2. Based upon information and belief, Defendant did not record the amount of time actually worked each day by the aggrieved employees nor the amount of time specifically associated with non-productive tasks nor compensate Plaintiff or the aggrieved employees for all such time. Defendant’s conduct in requiring Plaintiff and the other aggrieved employees to work without receiving compensation for all hours worked and/or separate

compensation for their non-productive time violated Labor Code §§ 226.2, 1194, 1197, 1197.1, and 1198.

Defendant is also legally responsible for ensuring the accuracy of its time records and cannot rely upon time records that it knew were false and/or statements by employees as the California Supreme Court explained. *Donohue v. Amn Servs.*, 11 Cal.5th 58, 81 (2021) (“It is the employer's duty to maintain accurate time records” and that the employer could not rely upon certifications from employees where the information provided to the employees was inaccurate and/or incomplete); *accord Feaver v. Kaiser Found. Health Plan, Inc.*, No. 15-cv-00890-EMC, 2016 U.S. Dist. LEXIS 9778, at *8 (N.D. Cal. Jan. 27, 2016) (conditionally certifying a class under the Fair Labor Standards Act where the employees could show that they received and/or sent emails off-the-clock despite the fact that the employer had a policy requiring all time to be recorded.); *Troester v. Starbucks Corp.*, 5 Cal.5th 829 (2018). As such Defendant was obligated to maintain accurate time records and their failure to do so resulted in the underpayment of Plaintiff and the aggrieved employees. As discussed above, Defendant failed to maintain accurate records of the actual time worked by Plaintiff and the other aggrieved employees—including but not necessarily limited to—the amount of time spent on non-productive tasks.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendant failed to compensate Plaintiff and all aggrieved employees for all overtime wages at the proper rates. Accordingly, through PAGA and to the extent permitted by law Plaintiff and all aggrieved employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 510, 558, 1197, and 1198 AND WAGE ORDER NO. 16-2001

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. Further, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than

twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work. In accordance with Labor Code § 1194, Plaintiff and the other aggrieved employees could not agree to work for a lesser wage.

Moreover, Labor Code § 226.2 requires employers who compensate employees on a piece-rate basis to provide separate compensation for non-productive tasks.

In addition, Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful.

Similarly, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

As discussed in detail above, Defendant engaged in a common policy and practice of failing to pay Plaintiff and the other aggrieved employees for non-rest period non-productive time including, but not limited to, the time associated with communicating with supervisors, daily meetings, safety briefings, trainings, moving tools and equipment, reporting progress to supervisors, discussing projects and assignments with other employees, engaging in required and/or expected pre-productive time and post-productive time activities and on many other tasks when the employee was not actively involved in construction of trusses and/or other products and able to complete a square foot, unit, and/or other unit of measurement.

Plaintiff also alleges that on the rare occasion that Defendant paid overtime wages to the aggrieved employees that it failed to include the piece rate compensation and the compensation that should have been paid associated with non-productive time (including the stepped-up basis amount under Labor Code § 226.2 for the non-productive time associated with rest periods), non-discretionary bonuses, incentive payments, and attendance bonuses when calculating and paying overtime wages.

Separate and independent of the foregoing, Defendant also engaged in a common policy and practice of failing to pay Plaintiff and the other aggrieved employees overtime wages when they worked more than eight (8) hours in a day and/or forty (40) hours in a week. As a result, Defendant often failed to provide at least some of the aggrieved employees with any compensation for overtime hours whatsoever.

For the same reasons as explained in detail above, Defendant on occasion also failed to provide compensation for (including at the proper rate) and/or misclassified doubletime hours as overtime hours or regular hours when the aggrieved employees worked more than twelve (12) hours in a day and/or more than eight (8) hours on the seventh day of work.

Alternatively, Plaintiff also alleges that to the extent that Defendant estimated the non-productive time, such estimates were not reasonable nor a good faith error within the meaning of Labor Code section 226.2. Based upon information and belief, Defendant did not record the amount of time actually worked each day by the aggrieved employees nor the amount of time specifically associated with non-productive tasks nor compensate Plaintiff or the aggrieved employees for all such time. This resulted in the underpayment of overtime and doubletime wages in violation of Labor Code §§ 510, 1197, and 1198.

Plaintiff alleges that Defendant engaged in the same and/or similar practices described above with respect to all aggrieved employees during the PAGA period. As a result of Defendant's failure to include such compensation when calculating the regular rate used for overtime purposes and paying overtime wages, Defendant failed to pay Plaintiff and all aggrieved employees overtime wages at one and one-half times their regular rate and instead underpaid their overtime wages.

Based upon the foregoing, Plaintiff alleges that Defendant violated Labor Code § 510 with respect to Plaintiff and all aggrieved employees. Labor Code § 558 imposes a penalty upon employers "who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee." For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for

which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendant failed to compensate Plaintiff and all aggrieved employees for all overtime wages at the proper rates. Accordingly, through PAGA and to the extent permitted by law Plaintiff and all aggrieved employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 226, 226.2, and 226.3

As to Plaintiff and all aggrieved employees, Defendants also failed to provide accurate itemized wage statements in accordance with Labor Code § 226(a)(1, 2, 3, 5, and 9). Labor Code § 226 obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage statement in writing showing:

- (1) gross wages earned;
- (2) total hours worked by the employee;
- (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate;
- (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;
- (5) net wages earned;
- (6) the inclusive dates of the period for which the employee is paid;
- (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer...;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

The itemized wage statements issued to Plaintiff and the aggrieved employees did not include the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis and/or all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee in violation of Labor Code sections 226(a)(3) and 226(a)(9). This includes, but is not limited to, failing to include the total hours worked during the pay period (by failing to record hours, failing to list the correct number of hours worked, and failing in some instances to list any hours worked whatsoever), failing to include the number of piece rate units earned and any applicable piece rate (this includes, but is not limited to, only listing the total amount of piece work earned, but neither the rate nor the units).

Moreover, due to Defendant's failure to pay Plaintiff and/or all aggrieved employees all minimum wages, compensation at the stepped-up basis required by Labor Code § 226.2 for the non-productive time associated with rest periods, piece rate wages, overtime wages, and rest period premiums as discussed above, the wage statements issued by Defendant did not indicate the correct amount of gross wages earned, the total hours worked, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, or the number of piece rate units earned and any applicable piece rate. Thus, Plaintiff is an aggrieved employee within the meaning of PAGA and Defendant has violated Labor Code §226(a)(1), (2), (3), (5), and (9) with respect to Plaintiff and all aggrieved employees.

Nor did Defendant's itemized wage statements include the total hours of other non-productive time or the rate of compensation for such time and/or in a manner that would allow them to determine such information from the wage statement alone as required by Labor Code §§ 226 or 226.2(a)(2).

Plaintiff and the aggrieved employees will prevail on their claim for PAGA penalties under Labor Code § 226(a). *See Lopez v. Friant & Assocs., LLC*, 15 Cal.App.5th 773, 788 (2017) ("hold[ing] a plaintiff seeking civil penalties under PAGA for a violation of Labor Code section 226(a) does not have to satisfy the 'injury' and 'knowing and intentional' requirements of section 226(e)(1)."); *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 679 (2018) (finding that the "requirements for a section 226(e) claim do not apply to a PAGA claim for a violation of section 226(a).").

Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226." As explained in detail above, Defendant failed to provide Plaintiff and the other aggrieved employees with accurate itemized wage statements. Accordingly, Plaintiff and the other aggrieved employees may also recover Labor Code § 226.3 penalties for Defendant's violations of Labor Code § 226(a).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 246 and 246.5

Labor Code § 246 requires employer to calculate sick leave pay based upon one of the

following formulas:

- (1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.
- (2) Paid sick time for nonexempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment.
- (3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.

Lab. Code § 246.

Throughout Plaintiff and the aggrieved employees' employment, Defendant failed to include piece rate compensation, non-discretionary production bonuses, attendance bonuses, any other form of non-discretionary bonus and/or incentive payment when calculating and paying sick pay. *See Wood v. Kaiser Found. Hosps.*, 88 Cal. App. 5th 742, 759 (2023), as modified (Mar. 23, 2023)

Defendant also refused to allow at least some of their employees to use their protected sick leave on some occasions during the PAGA period in violation of Labor Code §§ 246 and 246.5. Defendant also on some occasions failed to include information about employees' accrued and used sick pay as well as the balance of their sick pay on the aggrieved employee's wage statement.

Further, as a result when Plaintiff and the Late Payment Aggrieved Employees' employment ended, they left their employment without having received compensation for all of their sick pay that they were owed under Labor Code § 246 and resulting in a violation of Labor Code §§ 201-203. As a result of Defendant's underpayment of sick pay, Plaintiff and the other Late Payment Aggrieved Employees experienced a violation of Labor Code §§ 201-202 upon separation from Defendant. *See Powell v. Walmart Inc.*, No. 3:20-cv-2412-BEN-LL, 2021 U.S. Dist. LEXIS 20777, at *6 (S.D. Cal. Feb. 2, 2021) (denying a motion to dismiss claims under Labor Code section 203 based upon the employer's alleged failure to include incentive pay when calculating and paying sick pay); *accord Flores v. Dart Container Corp.*, No. 2:19-cv-00083 WBS EFB, 2020 U.S. Dist. LEXIS 93524, at *7 (E.D. Cal. May 27, 2020).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 204 AND 210

Labor Code § 204 expressly requires that “[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Defendant pays Plaintiff and all aggrieved employees on a weekly basis.

Due to Defendant’s failure to pay Plaintiff and all aggrieved employees all minimum wages, piece rate wages, all overtime wages, rest period premiums, and sick pay for the reasons discussed above, Defendant failed to timely pay Plaintiff and all aggrieved employees all wages owed within seven (7) days of the close of the payroll period in accordance with Labor Code § 204(d) on a regular and consistent basis.

Labor Code § 210 provides that “in addition to, an entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in Sections...204...shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25% of the amount unlawfully withheld.” As a result of the faulty compensation policies and practices described in detail above, Plaintiff and the other aggrieved employees are entitled to recover penalties under Labor Code § 210 through PAGA. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1209 (2008) (affirming an award of Labor Code section 210 penalties under PAGA due to the employer’s failure to timely pay wages at the proper rate in accordance with a local wage ordinance).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 201-203

Under Labor Code §§ 201-202, an employer must provide an employee wages at the time or discharge or within up to seventy-two (72) hours of their resignation. Labor Code § 203 provides “if an employer willfully fails to pay . . . any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty. . .” for up to 30 days. Lab. Code § 203; *Mamika v. Barca*, (1998) 68 Cal.App.4th 487, 492.

As described in detail above, Defendant failed to pay Late Payment Aggrieved Employees whose employment concluded all wages owed, including but not limited to minimum wages, overtime wages, rest period premiums, and sick pay within the time constraints

proscribed in Labor Code §§ 201-202 at the time of their termination/separation. Thus, as result of Defendant's faulty policies described above, the Late Payment Aggrieved Employees left their employment with Defendant without being compensated for each and every hour worked at the appropriate rate in violation of Labor Code §§ 201, 202, and 203.

Separate and independent of the foregoing, Defendant also failed to pay Late Payment Aggrieved Employees whose employment concluded any wages within the time constraints provided by Labor Code §§ 201-203.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 1174 and 1174.5

Labor Code § 1174 provides that each employer shall keep "payroll records showing the hours worked daily by and the wages paid to...employees employed at...establishments." An employer who fails to maintain the records proscribed by Labor Code § 1174 is subject to a civil penalty of five hundred (\$500) dollars under Labor Code § 1174.5. As previously explained, Defendant failed to maintain records of the time worked, failed to maintain accurate records of the total hours worked by employees and/or the non-productive time worked by aggrieved employees, including but not limited to off-the-clock work. Thus, Defendants violated Labor Code §§ 1174 and 1174.5.

CONCLUSION

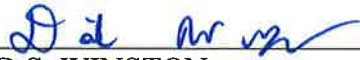
Therefore, pursuant to Labor Code § 2699.3, we write to inform the Labor and Workforce Development Agency of additional information about Plaintiff's claims. Nevertheless, it is the policy of this firm to attempt to negotiate an early resolution of all matters where possible and beneficial to the aggrieved employees and all putative class members. If Defendants are interested in attempting to resolve this matter on a representative basis, please contact us or have any Counsel you choose to retain contact me by February 15, 2024 so that we can discuss an informal discovery plan and the possibility of early mediation. In addition, please be advised that Plaintiff intends to file and by the time that you receive this PAGA Notice will have already filed a Class Action lawsuit based upon similar factual allegations. Please also be

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advised that my firm has a lien on any amounts paid or to be paid to Plaintiff.³

Very truly yours,

WINSTON LAW GROUP, P.C.

By: 
DAVID S. WINSTON

Certified Mail #: 9589 0710 5270 1274 0532 87

³ *Mancini & Associates v. Schwetz*, 39 Cal.App.5th 656 (2019); *Levin v. Gulf Ins. Group*, 69 Cal. App. 4th 1282, 1287-88 (1999); *Skinner v. Ken's Foods, Inc.*, 53 Cal.App.5th 938 (2020).

Exhibit 2

PAGA SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release (hereinafter “Settlement” or “Agreement”) is made and entered into by and between Plaintiff Juan Jose Pinto Perez (hereinafter “Plaintiff”) as a private attorney general on behalf of the State of California pursuant to Labor Code section 2698 *et seq.*, the Private Attorneys General Act (“PAGA”) on the one hand, and Defendant Goldenwood Truss Corporation (“Defendant”) on the other hand. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

This Settlement shall be binding on Plaintiff and the State of California to the extent permitted under PAGA and on Defendant subject to the terms and conditions hereof and the approval of the Court.

I. NATURE OF ACTION

1. On January 23, 2024, Plaintiff sent notice to the Labor and Workforce Development Agency (“LWDA”) giving notice of his intent to pursue a representative PAGA action on behalf of the State of California as well as on behalf of other aggrieved employees.

2. On January 23, 2024, Plaintiff filed a Class Action Complaint in the Ventura County Superior Court.

3. On March 29, 2024 Plaintiff filed a First Amended Complaint adding the representative PAGA claims in Ventura County for Superior Court.

4. On October 21, 2024 the Court dismissed the Class Claims without prejudice because Plaintiff signed an arbitration agreement leaving Plaintiff’s individual claims and the representative PAGA claims.

5. For purposes of this settlement, the Aggrieved Employees or PAGA Members are defined as: all persons currently or formerly employed by Defendant, as a non-exempt, employee whether paid on a piece rate or hourly basis in the State of California from January 23, 2023 to December 16, 2024. As of September 9, 2024, there were 104 Aggrieved Employees.

6. Through informal discovery, Defendant provided Plaintiff and PAGA Counsel with information about the number of potentially aggrieved employees (104), the number of pay periods potentially at issue (4,665 pay periods), and the relevant policy documents.

II. REPRESENTATIONS AND DEFINITIONS

1. “Aggrieved Employee,” “Aggrieved Employees,” “PAGA Member” or “PAGA Members” shall mean all persons currently or formerly employed by Defendant, as a non-exempt, employee whether paid on a piece rate or hourly in the State of California during the Settlement Period (defined as January 23, 2023 through December 16, 2024).

2. “PAGA Representative” or “Plaintiff” shall refer to the named Plaintiff Juan Jose Pinto Perez.

3. “Defendant” shall mean and refer to Goldenwood Truss Corporation.

4. “Released Parties” shall mean and refer to Defendant and each of their former and present directors, owners, officers, executives, managers, employees, shareholders, insurers, parent companies, predecessors, and successors.

5. “Lawsuit” refers to the civil action pending in Ventura County Superior Court titled, *JUAN JOSE PINTO PEREZ, an individual, on behalf of himself, others similarly situated, and as a private attorney general on behalf of the State of California, PLAINTIFF, v. GOLDENWOOD TRUSS CORPORATION, a California Corporation, and DOES 1 thru 50, inclusive, Defendants*, Ventura County Superior Court, Case No. 2024CUOE019811.

6. “PAGA Counsel” shall refer to David S. Winston of the Winston Law Group, P.C.

7. “Counsel for Defendant” and “Defense Counsel” shall refer to Joshua D. Carlon of Atkinson, Andelson, Loya, Rudd & Romo.

8. “Covered Period” or “PAGA Period” shall mean the period from January 23, 2023 to December 16, 2024.

9. “Court” refers to the Ventura County Superior Court.

10. “Aggrieved Employee Share” shall mean and refer to each PAGA Aggrieved

Employees' share of the 25% of PAGA penalties allocated to the Aggrieved Employees in accordance with Labor Code section 2699(i).

11. "Settlement Administrator" shall refer to ILYM Group, Inc.

12. "Covered Claims" means any and all claims, rights, or causes of action seeking civil penalties under PAGA that were alleged or reasonably could have been alleged against the Released Parties based on the factual allegations set forth in the January 23, 2024 PAGA Notice and the March 29, 2024 First Amended Complaint, including but not limited to Labor Code sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, and 1198 (the "Settled Claims" or "Released Claims"). This settlement does not cover any employees' individual claims.

13. "Individual Settlement" shall mean and refer to Plaintiff Juan Jose Pinto Perez' separate individual settlement of \$20,000.00 for his separately pending individual claims in this Action that is being disclosed to the Court as part of the approval process.

14. "Eligible Pay Periods" means the total number of pay periods that each Aggrieved Employee received a wage statement during the Covered Period.

15. "Settlement" shall mean this Settlement and Release Agreement.

16. "Effective Date" and "Final" means the later of: (i) if no aggrieved employee files an objection (to the extent permitted by law) then the date the Court enters an order granting approval of the PAGA settlement¹; (ii) if an Aggrieved Employee objects then sixty-one (61) days following the date the Court enters an order granting approval, assuming no appeal is filed; or (iii) if an Aggrieved Employee objects and either timely intervenes or timely files a motion to vacate the Judgment despite the prohibition against such actions recognized in *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664, 675 (2024) and nevertheless files a timely appeal, then the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final and complete judicial approval of the Settlement in its entirety, with no further challenge to the Settlement being possible. In this regard, the Parties intend that the Effective

¹ Nothing in this Settlement Agreement is intended to authorize and/or permit an aggrieved employee to take any actions prohibited by or inconsistent with *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664, 675 (2024).

Date of the PAGA Action settlement shall not be a date before the Court's order approving the PAGA Action settlement has become completely final and there is no timely recourse by any person who seeks to contest the PAGA Action settlement.

17. "Service Award" means a monetary amount of up to \$5,000.00 for Plaintiff Juan Jose Pinto Perez, which, subject to Court approval, will be paid as provided for below.

18. "Gross Settlement Amount" or "GSA" shall mean and refer to the \$100,000.00 that Defendant is obligated to pay under the terms of the proposed settlement. The Gross Settlement Amount consists of the settlement payment to PAGA Members, settlement administration fees and costs, Plaintiff's incentive and/or enhancement as to the PAGA Action, payment to the Labor and Workforce Development Agency of its share under the Labor Code Private Attorneys' General Act of 2004 ("PAGA", codified at Labor Code section 2698, *et seq.*), and attorneys' fees and costs. The Gross Settlement Amount is non-reversionary, such that the entire amount will be disbursed and none will revert to Defendant.

19. Plaintiff alleged on behalf of the State of California that Defendant failed to pay the aggrieved employees all minimum wages, all overtime wages, failed to provide lawful meal periods and pay meal period premiums at the proper rate, failed to provide lawful paid rest periods and pay rest period premiums at the proper rate, failed to separately compensate its piece rate employees for rest periods and/or for other non-productive time at the stepped up basis required by Labor Code § 226.2, failed to provide complete or accurate itemized wage statements (pay stubs), failed to provide sick pay and/or pay sick pay at the correct rate, failed to timely pay all wages owed during and after employment, and failed to maintain accurate time records. Plaintiff alleges that this underlying conduct gives rise to a claim pursuant to Labor Code Section 2698, *et seq.*

20. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit, and denies any liability or intentional wrongdoing. Defendant contends, among other things, that it has complied at all times with the California Labor Code, the related California Wage Orders, and all other state and federal wage laws, and further contends

that the Lawsuit is without merit and that Plaintiff cannot pursue claims, if any, against Defendant. Defendant denied and continues to deny each and every material factual allegation and alleged claim asserted against it in the Lawsuit. Defendant further contends that the imposition of any penalties would be unjust, arbitrary, oppressive, and confiscatory. Nevertheless, Defendant is willing to resolve this matter in accordance with the terms set forth herein.

21. The Parties recognize that the issues presented in the Lawsuit are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation and the claims in this Action.

22. Plaintiff and PAGA Counsel contend that they have diligently pursued an investigation of the state of California's claims under PAGA against Defendant.

23. Based on their own independent investigations and evaluations, Plaintiff and PAGA Counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Settlement is fair, reasonable, and adequate and that it is in the best interests of the Plaintiff, the Aggrieved Employees, and the State of California in light of all known facts and circumstances and the risks inherent in litigation.

24. The purpose of this Settlement is to settle and compromise the Lawsuit and all Covered Claims that Plaintiff, the State of California and the Aggrieved Employees have under PAGA against Defendant and the Released Parties. Neither the existence of this Settlement nor anything contained in this Settlement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Nothing herein shall constitute an admission by Defendant that the Lawsuit was properly brought as a representative action other than for settlement purposes. Settlement of the Lawsuit, the negotiation and execution of this Settlement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement or the settlement of the Lawsuit: (a) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendant or

of the truth of any of the factual allegations in the operative Complaint in the Lawsuit; (b) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omissions on the part of Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; (c) are not, shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification, or administration other than for purposes of administering this Settlement.

25. In order to comply with the requirements of Labor Code Section 2699(I), Plaintiff shall submit a Motion for Approval of Representative PAGA Settlement to the Court identifying the key terms of this Settlement and Release agreement and requesting that the Court approve the Settlement (“Approval Motion”). The Settlement is contingent upon the approval by the Court. If the Court denies a Motion for Approval of Representative PAGA Settlement due to concerns that the Parties cannot address through non-material modifications of this Agreement, (i) this Settlement shall be considered null and void; (ii) neither this Settlement Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Settlement Agreement shall stand in the same position, without prejudice, as if this Settlement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Settlement, except for the amount of attorneys’ fees and costs, shall invalidate this Settlement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. The Parties agree to abide by all of the terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack. The Parties shall make all possible good faith efforts to resolve any issues raised by the Court during the approval process.

26. In the event that the Court does not grant a Motion for Approval of Representative PAGA Settlement after several attempts and after exhausting all good faith efforts to address any concern raised by the Court, the Parties will be restored to their positions prior to the execution

of this Settlement Agreement and the Settlement Agreement shall be null and void and all materials related to seeking approval of the Settlement shall be inadmissible.

III. TERMS OF SETTLEMENT

27. In consideration of the mutual covenants, promises and representations set forth in this Settlement, Plaintiff, on behalf of the State of California as a Private Attorney General, and Defendant agree to settle and compromise the Lawsuit and the Covered Claims, subject to the terms and conditions set forth in this Settlement.

28. The Amount of the Settlement. As consideration for the settlement described herein and the release contained in this Settlement, Defendant agrees to pay the Gross Settlement Amount of \$100,000.00 in connection with the PAGA Settlement. The Gross Settlement Amount shall consist of and will be allocated as follows:

- (a) PAGA Counsel's attorney fee request of 1/3 of the Gross Settlement Amount (\$33,333.33);
- (b) PAGA Counsel's request for costs in the amount of up to \$4,000.00;
- (c) A PAGA service award in the amount of up to \$5,000.00 to Plaintiff Juan Jose Pinto Perez for his services on behalf of the state of California and aggrieved employees;
- (d) Administration costs of up to \$5,000.00 to be paid to the Settlement Administrator ILYM Group, Inc.; and
- (e) the remainder of the Settlement Payment after deducting the items (a), (b), (c), and (d) herein shall be designated as PAGA Penalties or PAGA Penalty Fund and is estimated to be \$52,666.67 and will be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i) with 75% paid to the LWDA (\$39,500.00) and 25% paid to the Aggrieved Employees on a pro-rata basis (\$13,166.67) based upon the number of pay periods worked during the Covered Period also referred to as the PAGA Period.

Defendant shall pay the Gross Settlement Amount to the Settlement Administrator in two installments (the "Installment Payment(s)"). The first of the Installment Payments of \$40,000 shall be paid no later than 3 months after the Effective Date and the second and final Installment Payment of \$60,000 shall be paid no later than 6 months after the Effective Date.

29. Allocation and Calculation of the PAGA Penalties. The anticipated total PAGA Penalty Fund will be approximately \$52,666.67. Seventy-five percent of the PAGA Penalty Fund will be paid to the LWDA as required by Labor Code section 2699(i). The remaining 25% of the PAGA Penalty Fund will be distributed to Aggrieved Employees on a pro-rata basis based upon the number of pay periods worked during the Covered Period also referred to as the PAGA Period. The allocation amongst the Aggrieved Employees shall be determined by dividing the entire PAGA Fund allocated to the Aggrieved Employees by the number of pay periods in the PAGA Period. The resulting amount shall be the Pay Period Amount. Each Aggrieved Employee, including Plaintiff, shall receive a pro rata value equal to the number of pay periods worked during the PAGA Period multiplied by the Pay Period amount (the "Individual Settlement Payments"). All Individual Settlement Payments made to Aggrieved Employees will be reported on an IRS Form 1099-MISC to the extent required by law. Each Aggrieved Employee's pro-rata share of the PAGA Penalty Fund represents their share of the 25% in PAGA penalties distributable to the aggrieved employees.

30. PAGA Representative Service Award. Plaintiff Juan Jose Pinto Perez may request a service award of up to \$5,000.00 in recognition for his services on behalf of the State of California and the aggrieved employees. Any service award awarded by the Court shall be paid out of the Gross Settlement Amount and will be reported on an IRS Form 1099-MISC basis. The PAGA Representative Service Award shall be an amount in addition to Plaintiff Juan Jose Pinto Perez's pro-rata share of the PAGA Penalty Fund penalties awarded to the aggrieved employees. Defendant will not object to nor oppose a service award request for PAGA representative Juan Jose Pinto Perez in the amount of \$5,000.00. Should the Court decline to provide a service award or approve a lesser amount, any amount not awarded by the Court shall be reallocated to the Net

PAGA Penalty fund and distributed to the Aggrieved Employees.

31. PAGA Counsel's Fees and Costs. As part of the request for approval of this Settlement, PAGA Counsel will request court approval of 1/3 of the Gross Settlement Amount, which is \$33,333.33. PAGA Counsel will also request cost reimbursement in the amount of up to \$4,000.00 for costs incurred and/or expected to be incurred by PAGA Counsel in the prosecution of this Action. Should PAGA Counsel request a lesser amount of attorneys' fees and costs and/or the Court approve a lesser amount, the difference shall be allocated to the PAGA Penalty Fund and distributed accordingly. Any attorneys' fees and costs awarded to PAGA Counsel, hereinafter referred to as "PAGA Counsel Fees & Costs," shall fully compensate and reimburse PAGA Counsel for any and all of the work already performed in connection with the Lawsuit and all work remaining to be performed in fully and finally resolving the Lawsuit, including but not limited to securing Court approval of the settlement, appearing at any hearings, making sure that the settlement is fairly and properly administered, defending the settlement in any appeal or other post-approval matter, all other work that PAGA Counsel has performed or will perform, and all costs that PAGA Counsel has incurred or will incur. Defendant will not object to nor oppose a request for attorneys' fees in the amount of up to 1/3 of the Gross Settlement Amount nor any request for reimbursement for costs that do not exceed \$4,000.00.

32. Tax Treatment of Settlement Amounts. With regard to settlement payments to PAGA Aggrieved Employees reflecting each Aggrieved Employees' share of PAGA penalties, IRS Form 1099-MISCs will be issued if required by the Settlement Administrator. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff acknowledges that he has obtained no tax advice from Defendant and that neither Defendant nor its attorneys have made any representation concerning the tax consequences, if any, of the Settlement Amount in this Agreement or any payment to be made pursuant to this Agreement. To the extent that this Settlement or any of its attachments is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding

penalties under the Internal Revenue Code. Defendant is not responsible for any Aggrieved Employees' tax obligations regarding the allocation of the settlement payments. Payment of PAGA Counsel Fees & Costs will be reflected in a Form 1099 to PAGA Counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

IV. RELEASE

33. Release By All Aggrieved Employees. Upon the approval by the Court of this Settlement, Plaintiff, the State of California and each Aggrieved Employee, for the period from January 23, 2023, through December 16, 2024, shall fully release and forever discharge the Released Parties from any and all Covered Claims.

34. Release by Plaintiff. In addition to his participation in the Release By all Aggrieved Employees and except as otherwise provided herein, upon the Effective Date of this Settlement, Plaintiff has agreed to a separate individual settlement that is intended to compensate Plaintiff for all additional claims, whether known or unknown, against Defendant, including but not limited to, his separately pled individual wage and hour claims pending in this Action and a general release that also covers claims for employment discrimination, retaliation, or other individual claims that are not being litigated in this case.

35. Plaintiff is providing a full release of individual claims to the extent permitted by law, other than non-releasable claims such as and including workers' compensation claims, as part of this Settlement. PAGA Counsel is not receiving any attorneys' fees associated with Plaintiff's individual settlement.

V. APPROVAL OF THE SETTLEMENT

36. The Parties recognize that in accordance with Labor Code Section 2699(l) Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court*, 46 Cal.4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement *through* a motion for preliminary or final approval. *See also Mendoza vs. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) ("PAGA authorizes a representative action

without the need for class certification.”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) (“a PAGA suit is fundamentally different than a class action” in that PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action.”); *Williams vs. Sup. Ct.*, 3 Cal.5th 531, 546-547 (2017) (“PAGA does not make other potentially aggrieved employees parties or clients of plaintiff’s counsel, does not impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff or counsel to scrutiny with respect to the ability to represent a large class.”).

37. In order to comply with the requirements of Labor Code Section 2699(I), Plaintiff shall file a Motion for Approval of Representative PAGA Settlement identifying the key terms of this Settlement and Release agreement and requesting that the Court approve the Settlement (“Approval Motion”).

VI. THE SETTLEMENT PAYMENT PLAN AND ADMINISTRATION OF THE SETTLEMENT

38. Within 30 calendar days after the Effective Date, Defendant will compile and transmit an Aggrieved Employee list (“Aggrieved Employee List”) containing: (1) the name; (2) last known home address and telephone number; (3) the number of pay periods worked by an Aggrieved Employee during the Covered Period; and (4) the Aggrieved Employees’ social security numbers.

39. Defendant shall pay to the Settlement Administrator the Installment Payments representing the Gross Settlement Amount in accordance with paragraph 28. Once Defendant has complied with its obligation set forth in paragraph 38 and this paragraph, it shall be deemed to have satisfied all of the terms and conditions of this Agreement, shall be entitled to all the protections afforded it under the Agreement, and shall have no further obligations under the Agreement. Without prejudice to any other remedies, both the Settlement Administrator and PAGA Counsel shall hold Defendant harmless from and against all liabilities, claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any failure to timely or properly compensate PAGA Members as provided in this Agreement. The Settlement

Administrator shall distribute each Aggrieved Employee Share to the Aggrieved Employees, any service award and the attorneys' fees and costs awarded by the Court within fifteen (15) calendar days after Defendants deposit the entirety of the Gross Settlement Amount.

40. The Settlement Payment checks for each Aggrieved Employee's Share shall be sent to each Aggrieved Employee by U.S. First Class mail to the Aggrieved Employee's address with directions to the Postmaster to forward the payment checks and return all undeliverable payment checks to the Settlement Administrator. A letter approved by the Parties, in advance of filing the Approval Stipulation, explaining this Settlement will be included in the mailing of each Aggrieved Employee's check and submitted to the Court for its review and approval. The date of the initial mailing of the payment check shall be conclusively determined according to the records of the Settlement Administrator.

41. The Settlement Administrator shall ensure that 75% of the PAGA Penalty Fund is paid to the LWDA.

42. Aggrieved Employee Share checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance. Any funds associated with checks for the Aggrieved Employees Share of PAGA penalties that have not been cashed within 180 days, will become void and the amounts associated with the un-cashed check shall be paid out in accordance with Civil Code section 384 to a *cy pres* agreed to by the Parties as required by Code of Civil Procedure section 384 or any other method of distribution consistent with Code of Civil Procedure section 384. Upon the expiration of the 180 days, the Settlement Administration shall pay all remaining settlement funds to the designated *cy pres* recipient. The *cy pres* recipient shall be CASA of Ventura County. The Parties hereby expressly agree to this specific distribution for any and all unclaimed funds.

VII. DUTIES OF THE PARTIES PRIOR TO APPROVAL

43. Promptly upon execution of this Settlement, Plaintiff shall file a Motion for Approval of Representative PAGA Settlement. The Parties shall apply to the Court for the entry of an order and final judgment approving this Settlement as required by Labor Code section

2699(l). Plaintiff shall prepare and file a Motion for Approval of Representative PAGA Settlement. The Approval Motion will request Court approval of the following:

- a. Approving the terms of this Settlement and Release Agreement;
- b. Approving the amount of PAGA Counsel Fees & Costs;
- c. Appointing ILYM Group, Inc. as the Settlement Administrator and approving the amount of Settlement Administration Costs;
- d. Approving the amount of Plaintiff's Service Award; and
- e. Entering Final Judgment.

44. In conjunction with the Motion for Approval of PAGA Settlement, the Parties will submit a proposed Final Judgment requesting the entry of judgment in the amount of \$120,000.00—which includes Plaintiff's separate individual settlement of \$20,000 and this \$100,000 PAGA Settlement—in favor of Plaintiff and the State of California.

45. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and bind the Parties hereto to the terms and conditions hereof.

VIII. MUTUAL FULL COOPERATION

46. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein.

X. NO ADMISSION

47. Nothing contained herein nor is the consummation of this Settlement to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the Releasees. Each of the Parties hereto has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expense. Defendant denies that it has engaged in any unlawful activity, that it failed to comply

with the law in any material respect, or that it has any liability to anyone under the claims asserted in the Lawsuit. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant.

XI. NON-EVIDENTIARY USE

48. Whether or not the Effective Date occurs, neither this Agreement nor any of its terms, nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Lawsuit, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that an Aggrieved Employee has resolved any of his/her claims released through this Agreement nor against Plaintiff in this Action.

XI. NULLIFICATION

49. If (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties (except for the amount of attorneys' fees, costs, settlement administration costs, or the proposed service award), or (b) the Court's approval of this Settlement is reversed, modified, or declared or rendered void, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court. Invalidation of any material portion of this Agreement, except for the amount of attorneys' fees and costs, settlement administration expenses, or the Plaintiff's proposed service award, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

XII. ATTORNEYS' FEES, COSTS AND EXPENSES

50. Except as specifically set forth herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by her/ them arising out of the Lawsuit, and shall not seek reimbursement thereof from any other party to this Agreement.

XIII. CONSTRUCTION

51. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff (on behalf of himself and the State of California) and Defendant regarding actual or potential claims asserted by Plaintiff against Releasees. Excluding the Arbitration Agreement entered into by the Parties prior to the commencement of this lawsuit and the Individual Settlement Agreement that covers Plaintiff's individual claims and will be disclosed to the Court, this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding those claims or potential claims and the resolution of those claims. Consequently, no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid.

XIV. CAPTIONS AND INTERPRETATIONS

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

XV. MODIFICATION

53. This Settlement may not be amended, changed, altered, or modified, except in writing and signed by the Parties (or their successors-in-interest) hereto. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XVI. MISCELLANEOUS

54. This Settlement contains the entire agreement between the Parties relating to the Settlement of the Covered Claims and Plaintiff's Released Claims, and all prior or contemporaneous agreements (except any Arbitration Agreement and Plaintiff's disclosed Individual Settlement Agreement), understandings, representations, and statements, whether oral or written and whether by a party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters that would alter or change the terms of this Agreement. No representations, warranties, or inducements have been made to any party concerning this Agreement other than those expressly set forth or referred to herein.

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

56. This Settlement may be executed in counterparts either via a wet written signature or an electronic signature (such as via Dropbox Sign or DocuSign). When each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

57. This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

58. The Parties have cooperated in the negotiation and preparation of this Agreement.

This Agreement shall not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement. As such, both Parties agree that they bear the risk of mistake and that they each agree to bear such risks, including all potential risks associated with this Settlement, equally.

59. The Ventura County Superior Court shall retain jurisdiction to enforce this Agreement pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties to the fullest extent to enforce and effectuate the terms and intent of this Agreement.

THE PARTIES HAVE READ THE FOREGOING AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE FOREGOING AGREEMENT AND KNOW THE CONTENTS THEREOF AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

12 / 19 / 2024
DATED: _____, 2024

Juan Jose pinto perez
JUAN JOSE PINTO PEREZ
as PAGA Representative

DATED: 12/27, 2024

Darin Ranson
FOR GOLDENWOOD TRUSS CORPORATION
By: DARIN RANSON
Its: V.P.

ACUERDO DE ARREGLO Y EXENCIÓN DE RESPONSABILIDAD PAGA

Las partes de este Arreglo y Exención de Responsabilidad (de aquí en más, el “Arreglo” o el “Acuerdo”) son el Demandante Juan José Pinto Pérez (de aquí en más, el “Demandante”) como un procurador general privado en representación del Estado de California de conformidad con la sección 2698 y subsiguientes del Código de Trabajo, la Ley de Procurador General Privado (“PAGA”, por sus siglas en inglés), y el Demandado Goldenwood Truss Corporation. Al Demandante y al Demandado nos referiremos colectivamente en el presente como las “Partes”.

Este Arreglo será vinculante para el Demandante y el Estado de California en la medida en que lo permita la PAGA y para el Demandado, sujeto a los términos y condiciones del presente y a la aprobación del Tribunal.

I. NATURALEZA DE LA ACCIÓN LEGAL

1. El 23 de enero de 2024, el Demandante envió un aviso a la Agencia de Desarrollo de Trabajo y Fuerza Laboral (“LWDA”, por sus siglas en inglés) informando su intención de iniciar una acción PAGA representativa en representación del Estado de California, así como en nombre de otros empleados agraviados.

2. El 23 de enero de 2024, el Demandante presentó una Demanda Colectiva ante el Tribunal Superior del Condado de Ventura.

3. El 29 de marzo de 2024, el Demandante presentó una Primera Demanda Enmendada agregando los reclamos PAGA representativos ante el Tribunal Superior del Condado de Ventura.

4. El 21 de octubre de 2024, el Tribunal desestimó los Reclamos de la Clase sin perjuicio debido a que el Demandante firmó un acuerdo de arbitraje que dejó los reclamos individuales del Demandante y los reclamos PAGA representativos.

5. Para los fines de este Arreglo, los Empleados Agraviados o los Miembros PAGA se definen de la siguiente manera: todas las personas que son empleados actuales o anteriores del Demandado como empleados no exentos, ya sea que se les pague por pieza o por hora en el

Estado de California del 23 de enero de 2023 al 16 de diciembre de 2024. Al 9 de septiembre de 2024, había 104 Empleados Agraviados.

6. Mediante la presentación de pruebas informal, el Demandado proporcionó al Demandante y al Abogado PAGA información sobre la cantidad de empleados agraviados potenciales (104), la cantidad de períodos de pago potencialmente en cuestión (4,665 períodos de pago), y los documentos de política pertinentes.

II. DECLARACIONES Y DEFINICIONES

1. “Empleado Agraviado”, “Empleados Agraviados”, “Miembro PAGA” o “Miembros PAGA” significará todas las personas que son empleados actuales o anteriores del Demandado como empleados no exentos, ya sea que se les pague por pieza o por hora en el Estado de California durante el Período del Arreglo (que se define como del 23 de enero de 2023 al 16 de diciembre de 2024).

2. “Representante PAGA” o “Demandante” se referirá al Demandante identificado Juan José Pinto Pérez.

3. “Demandado” significará y se referirá a Goldenwood Truss Corporation.

4. “Partes Eximidas” significará y se referirá al Demandado y a cada uno de sus directores, propietarios, funcionarios, ejecutivos, gerentes, empleados, accionistas, compañías de seguros, casas matrices, antecesores y sucesores actuales y anteriores.

5. “Demanda” se refiere a la acción legal civil pendiente ante el Tribunal Superior del Condado de Ventura titulada, *JUAN JOSE PINTO PEREZ, un individual, en nombre de él mismo, de otros similarmente situados, y como un abogado privado general en nombre del Estado de California, DEMANDANTE, v. GOLDENWOOD TRUSS CORPORATION, una Corporación de California, y DOES 1 hasta 50, inclusivo, Acusados*, Tribunal Superior del Condado de Ventura, No. de Caso 2024CUOE019811.

6. “Abogado PAGA” se referirá a David S. Winston de Winston Law Group, P.C.

7. “Abogado del Demandado” y “Abogado Defensor” se referirá a Joshua D. Carlon de Atkinson, Andelson, Loya, Rudd & Romo.

8. “Período Cubierto” o “Período PAGA” significará el período del 23 de enero de 2023 al 16 de diciembre de 2024.

9. “Tribunal” se refiere al Tribunal Superior del Condado de Ventura.

10. “Parte de los Empleados Agraviados” significará y se referirá a la parte de cada Empleado Agraviado PAGA del 25% de las sanciones PAGA asignadas a los Empleados Agraviados de conformidad con la sección 2699(i) del Código de Trabajo.

11. “Administrador del Arreglo” se referirá a ILYM Group, Inc.

12. “Reclamos Cubiertos” se refiere a todos y cada uno de los reclamos, derechos o causas de acción legal que solicitan sanciones civiles conforme a la PAGA que se alegaron o que podrían haberse alegado razonablemente contra las Partes Eximidas en función de las alegaciones de hecho establecidas en el Aviso PAGA del 23 de enero de 2024 y la Primera Demanda Enmendada del 29 de marzo de 2024 lo que incluye, de forma enunciativa y no limitativa, las secciones 201, 202, 203, 204, 210, 226, 226.2, 226.3, 510, 558, 1174, 1174.5, 1194, 1197, 1197.1 y 1198 del Código de Trabajo (los “Reclamos Arreglados” o los “Reclamos Eximidos”). Este arreglo no cubre los reclamos individuales de ningún empleado.

13. “Arreglo Individual” significará y se referirá al arreglo individual por separado de \$20,000.00 del Demandante Juan José Pinto Pérez por sus reclamos individuales pendientes por separado en esta Acción Legal que se divulga al Tribunal como parte del proceso de aprobación.

14. “Períodos de Pago que Califican” significa la cantidad total de períodos de pago en los que cada Empleado Agraviado recibió un recibo de sueldo durante el Período Cubierto.

15. “Arreglo” significará este Acuerdo de Arreglo y Exención de Responsabilidad.

16. “Fecha de Vigencia” y “Definitivo” significa lo que tenga lugar primero de: (i) si ningún Empleado Agraviado presenta una objeción (en la medida de lo permitido por la ley), la fecha en que el Tribunal dicte una orden otorgando la aprobación del arreglo PAGA¹; (ii) si un Empleado Agraviado presenta una objeción, sesenta y un (61) días después de la fecha en que el Tribunal dicte una orden otorgando la aprobación, suponiendo que no se presente una apelación;

¹ Ninguna de las secciones de este Acuerdo de Arreglo tiene por objeto autorizar y/o permitir que un empleado agraviado tome alguna medida prohibida o incompatible con *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664, 675 (2024).

o (iii) si un Empleado Agraviado presenta una objeción e interviene dentro de los plazos previstos o presenta dentro de los plazos previstos una moción para anular la Sentencia a pesar de la prohibición de tales medidas reconocida en *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664, 675 (2024) y de todas maneras presenta una apelación dentro de los plazos previstos, la fecha de resolución definitiva de dicha apelación (lo que incluye toda solicitud de nueva audiencia y/o peticiones de revisión de sentencia), que den lugar a la aprobación judicial definitiva y plena del Arreglo en su totalidad, sin que sea posible ninguna otra impugnación del Arreglo. En este sentido, la intención de las Partes es que la Fecha de Vigencia del arreglo de la Acción Legal PAGA no sea una fecha anterior a la fecha en la que la orden del Tribunal que aprueba el arreglo de la Acción Legal PAGA se convierta en completamente definitiva y no exista recurso oportuno por parte de ninguna persona que pretenda impugnar el arreglo de la Acción Legal PAGA.

17. “Pago por Servicios” significa un monto monetario de un máximo de \$5,000.00 para el Demandante Juan José Pinto Pérez, que, sujeto a la aprobación del Tribunal, se pagará tal como se indica más abajo.

18. “Monto Bruto del Arreglo” o “GSA” significará y se referirá a los \$100,000.00 que el Demandado está obligado a pagar conforme a los términos del arreglo propuesto. El Monto Bruto del Arreglo consiste en el pago del arreglo a los Miembros PAGA, los honorarios y costos de administración del arreglo, el incentivo y/o mejora del Demandante en cuanto a la Acción Legal PAGA, el pago a la Agencia de Desarrollo de Trabajo y Fuerza Laboral de su parte conforme a la Ley de Procurador General Privado de 2004 (“PAGA”, codificada en la sección 2698 y posteriores del Código de Trabajo) del Código de Trabajo, y los honorarios y costos de los abogados. El Monto Bruto del Arreglo no es reversible, de tal manera que se desembolsará la totalidad del monto y ninguna parte será devuelta al Demandado.

19. El Demandante alegó en representación del Estado de California que el Demandado no pagó a los Empleados Agraviados todos los salarios mínimos, todos los salarios por horas extra, no proporcionó períodos para comer legales y no pagó las primas de los períodos para comer a la tarifa adecuada, no proporcionó períodos de descanso con sueldo

legales y no pagó las primas de los períodos de descanso a la tarifa adecuada, no remuneró por separado a sus empleados por pieza por los períodos de descanso y/o por otro tiempo no productivo de la forma escalonada que exige § 226.2 del Código de Trabajo, no proporcionó recibos de sueldo (talones de pago) detallados completos o correctos, no proporcionó pago por enfermedad y/o no pagó pago por enfermedad a la tarifa adecuada, no pagó oportunamente todos los salarios adeudados durante y después del empleo, y no mantuvo registros de horas correctos. El Demandante alega que esta conducta subyacente da lugar a un reclamo de conformidad con el artículo 2698 y subsiguientes del Código de Trabajo.

20. El Demandado rechaza toda responsabilidad o acto indebido de ningún tipo relacionado con los reclamos alegados en la Demanda, y rechaza toda responsabilidad o acto indebido intencional. El Demandado sostiene, entre otras cosas, que cumplió en todo momento con el Código de Trabajo de California, las Órdenes de Salario de California relacionadas, y todas las demás leyes salariales estatales y federales, y sostiene además que la Demanda carece de mérito y que el Demandante no puede hacer valer reclamos, si existen, contra el Demandado. El Demandado rechaza y sigue rechazando todas y cada una de las alegaciones de hecho materiales y los presuntos reclamos hechos valer en su contra en la Demanda. El Demandado sostiene además que la imposición de toda sanción sería injusta, arbitraria, opresiva y confiscatoria. No obstante, el Demandado está dispuesto a resolver este tema de acuerdo con los términos que se establecen en el presente.

21. Las Partes reconocen que es probable que los temas planteados en la Demanda solo se resuelvan con extensos y costosos procedimientos prejudiciales y judiciales, y que la continuación del proceso judicial causará inconvenientes, distracciones, trastornos, retrasos y gastos desproporcionados en relación con los beneficios potenciales del proceso judicial. Las Partes tuvieron en cuenta el riesgo y la incertidumbre del resultado inherentes a todo proceso judicial y los reclamos en esta Acción Legal.

22. El Demandante y el Abogado PAGA sostienen que llevaron a cabo de forma diligente una investigación de los reclamos del estado de California conforme a la PAGA contra

el Demandado.

23. En base a sus propias investigaciones y evaluaciones independientes, la opinión del Demandante y del Abogado PAGA es que el arreglo por la contraprestación y según los términos que se establecen en este Arreglo es justo, razonable y adecuado, y que favorece los intereses del Demandante, los Empleados Agraviados y el Estado de California teniendo en cuenta todos los hechos y circunstancias conocidos y los riesgos inherentes en un proceso judicial.

24. El objeto de este Arreglo es resolver y conciliar la Demanda y todos los Reclamos Cubiertos que el Demandante, el Estado de California y los Empleados Agraviados puedan tener conforme a la PAGA contra el Demandado y las Partes Eximidas. Ni la existencia de este Arreglo ni nada de lo incluido en este Arreglo se interpretará o considerará como una admisión de responsabilidad, culpabilidad, negligencia o acto indebido por parte del Demandado. Ninguna de las secciones del presente constituirá una admisión por parte del Demandado de que la Demanda fue presentada de forma adecuada como una acción legal representativa más allá de los fines de un arreglo. El Arreglo de la Demanda, la negociación y suscripción de este Arreglo, y todos los actos realizados o documentos suscritos de conformidad o para perfeccionar este Arreglo o el arreglo de la Demanda: (a) no constituyen, no se considerarán y no podrán utilizarse como admisión o prueba de ningún acto indebido o responsabilidad por parte del Demandado, ni de la veracidad de ninguna de las alegaciones de hecho en la Demanda operativa en la Demanda; (b) no constituyen, no se considerarán y no podrán utilizarse como admisión o prueba de ninguna falta u omisión por parte del Demandado en ningún proceso civil, penal o administrativo ante ningún tribunal, agencia administrativa u otro tribunal; y (c) no constituyen, no se considerarán y no podrán utilizarse como admisión o prueba de la pertinencia de estos reclamos u otros similares para el tratamiento representativo, la certificación de clase o la administración más allá de para fines de la administración de este Arreglo.

25. Con el objeto de cumplir con los requisitos de la Sección 2699(l) del Código de

Trabajo, el Demandante presentará una Moción de Aprobación del Arreglo PAGA Representativo ante el Tribunal identificando los términos clave de este Acuerdo de Arreglo y Exención de Responsabilidad y solicitando que el Tribunal apruebe el Arreglo (la “Moción de Aprobación”). El Arreglo está supeditado a la aprobación del Tribunal. Si el Tribunal rechaza una Moción de Aprobación del Arreglo PAGA Representativo debido a inquietudes de que las Partes no pueden hacer frente a modificaciones no materiales de este Acuerdo, (i) este Arreglo se considerará nulo y sin efecto; (ii) ni este Acuerdo de Arreglo ni ninguna de las negociaciones o procesos relacionados tendrán vigencia ni efecto; y (iii) todas las Partes de este Acuerdo de Arreglo se encontrarán en la misma postura, sin perjuicio, como si este Arreglo no se hubiera suscrito ni presentado ante el Tribunal. La invalidación de toda sección material de este Arreglo, a excepción del monto de los honorarios de abogados y costos, invalidará este Arreglo en su totalidad, a menos que las Partes acuerden posteriormente por escrito que las disposiciones restantes permanecerán en plena vigencia y efecto. Las Partes acuerdan cumplir con todos y cada uno de los términos del Arreglo de buena fe y apoyar plenamente el Arreglo y hacer todo lo posible para defender este Arreglo de toda impugnación legal, ya sea durante una apelación o ataque indirecto. Las Partes harán todo lo posible de buena fe para resolver todo tema planteado por el Tribunal durante el proceso de aprobación.

26. Si el Tribunal no concede la Moción de Aprobación del Arreglo PAGA Representativo después de varios intentos y después de agotar todos las iniciativas de buena fe para corregir toda inquietud planteada por el Tribunal, las Partes volverán a sus posturas anteriores a la suscripción de este Acuerdo de Arreglo y el Acuerdo de Arreglo será nulo y sin efecto y todos los materiales relacionados con la solicitud de aprobación del Arreglo serán inadmisibles.

III. TÉRMINOS DEL ARREGLO

27. En contraprestación de los pactos, promesas y declaraciones mutuas establecidas en este Arreglo, el Demandante, en representación del Estado de California como un Procurador General Privado, y el Demandado acuerdan llegar a un arreglo y conciliar la Demanda y los

Reclamos Cubiertos, sujeto a los términos y condiciones establecidos en este Arreglo.

28. El monto del Arreglo. Como contraprestación por el arreglo que se describe en el presente y la exención de responsabilidad incluida en este Arreglo, el Demandado acuerda pagar el Monto Bruto del Arreglo de \$100,000.00 en relación con el Arreglo PAGA. El Monto Bruto del Arreglo consistirá y se asignará de la siguiente manera:

- (a) La solicitud de honorarios de abogados del Abogado PAGA de 1/3 del Monto Bruto del Arreglo (\$33,333.33);
- (b) La solicitud de costos del Abogado PAGA de un monto de un máximo de \$4,000.00;
- (c) Un pago por servicios PAGA de un monto de un máximo de \$5,000.00 al Demandante Juan José Pinto Pérez por sus servicios en representación del estado de California y los Empleados Agraviados;
- (d) Los costos de administración de un máximo de \$5,000.00 que se pagarán al Administrador del Arreglo ILYM Group, Inc.; y
- (e) El resto del Pago del Arreglo después de deducir los puntos (a), (b), (c) y (d) del presente se designará como Sanciones PAGA o Fondo de Sanciones PAGA y se estima que será de \$52,666.67 y se distribuirá entre la LWDA y los Empleados Agraviados de conformidad con la sección 2699(i) del Código de Trabajo, pagándose el 75% a la LWDA (\$39,500.00) y el 25% a los Empleados Agraviados en forma prorrateada (\$13,166.67) conforme a la cantidad de periodos de pago trabajados durante el Período Cubierto, que también se denomina Período PAGA.

El Demandado pagará el Monto Bruto del Arreglo al Administrador del Arreglo en dos cuotas (el/los “Pago(s) en Cuotas”). El primero de los Pagos en Cuotas de \$40,000 se pagará a más tardar 3 meses después de la Fecha de Vigencia y el segundo y último Pago en Cuotas de \$60,000 se pagará a más tardar 6 meses después de la Fecha de Vigencia.

29. Asignación y cálculo de las Sanciones PAGA. El Fondo de Sanciones PAGA total previsto será de aproximadamente \$52,666.67. El setenta y cinco por ciento del Fondo de Sanciones PAGA se pagará a la LWDA, tal como lo exige la sección 2699(i) del Código de Trabajo. El 25% restante del Fondo de Sanciones PAGA se distribuirá entre los Empleados Agraviados de forma prorrateada en función de la cantidad de períodos de pago trabajados durante el Período Cubierto, que también se denomina Período PAGA. La asignación entre los Empleados Agraviados se determinará dividiendo la totalidad del Fondo PAGA asignado a los Empleados Agraviados por la cantidad de períodos de pago en el Período PAGA. El monto resultante será el Monto de Período de Pago. Cada Empleado Agraviado, lo que incluye al Demandante, recibirá un valor prorrateado igual a la cantidad de períodos de pago trabajados durante el Período PAGA multiplicado por el Monto de Período de Pago (los “Pagos Individuales del Arreglo”). Todos los Pagos Individuales del Arreglo realizados a los Empleados Agraviados se informarán en un Formulario 1099-MISC del IRS en la medida en que lo exija la ley. La parte prorrateada de cada Empleado Agraviado del Fondo de Sanciones PAGA representa su parte del 25% de sanciones PAGA distribuibles a los empleados agraviados.

30. Pago por Servicios al Representante PAGA. El Demandante Juan José Pinto Pérez puede solicitar un pago por servicios de un máximo de \$5,000.00 en reconocimiento por sus servicios en representación del Estado de California y de los Empleados Agraviados. Todo pago por servicios otorgado por el Tribunal se pagará del Monto Bruto del Arreglo y se informará en un formulario 1099-MISC del IRS. El Pago por Servicios al Representante PAGA será un monto adicional a la parte prorrateada de las sanciones del Fondo de Sanciones PAGA otorgadas a los Empleados Agraviados que corresponde al Demandante Juan José Pinto Pérez. El Demandado no objetará ni se opondrá a una solicitud de pago por servicios para el representante PAGA Juan José Pinto Pérez de un monto de \$5,000.00. Si el Tribunal rechaza conceder un pago por servicios o aprueba un monto menor, todo monto no otorgado por el Tribunal se reasignará al fondo de Sanciones Netas PAGA y se distribuirá a los Empleados

Agraviados.

31. Honorarios y Costos del Abogado PAGA. Como parte de la solicitud de aprobación de este Arreglo, el Abogado PAGA solicitará la aprobación del Tribunal de 1/3 del Monto Bruto del Arreglo, que asciende a \$33,333.33. El Abogado PAGA también solicitará el reembolso de costos de un monto de un máximo de \$4,000.00 por los costos en que haya incurrido y/o prevea que vaya a incurrir el Abogado PAGA en el procesamiento de esta Acción Legal. Si el Abogado PAGA solicita un monto menor en concepto de honorarios y costos y/o el Tribunal aprueba un monto menor, la diferencia se asignará al Fondo de Sanciones PAGA y se distribuirá en consecuencia. Los honorarios de abogados y costos otorgados al Abogado PAGA, a los que nos referiremos de aquí en más como los “Honorarios y Costos del Abogado PAGA”, compensarán y reembolsarán íntegramente al Abogado PAGA por todo el trabajo ya realizado en relación con la Demanda y todo el trabajo que quede por realizar para resolver completa y definitivamente la Demanda lo que incluye, de forma enunciativa y no limitativa, obtener la aprobación del arreglo por parte del Tribunal, comparecer en toda audiencia, asegurarse de que el arreglo se administre de forma justa y adecuada, defender el arreglo en toda apelación u otro tema posterior a la aprobación, todo otro trabajo que el Abogado PAGA haya realizado o vaya a realizar, y todos los costos en los que el Abogado PAGA haya incurrido o vaya a incurrir. El Demandado no objetará ni se opondrá a una solicitud de honorarios de abogados de un monto máximo de 1/3 del Monto Bruto del Arreglo ni a ninguna solicitud de reembolso de costos que no supere los \$4,000.00.

32. Tratamiento de impuestos de los montos del Arreglo. Con respecto a los pagos del arreglo a los Empleados Agraviados PAGA que reflejen la parte de cada Empleado Agraviado de las sanciones PAGA, se emitirá un Formulario 1099-MISC del IRS si así lo exige el Administrador del Arreglo. Ninguna de las secciones en este Arreglo tiene por objeto constituir asesoramiento legal en relación con las obligaciones de impuestos federales, estatales y/o locales. El Demandante reconoce que no obtuvo asesoramiento de impuestos del Demandado y que ni el Demandado ni sus abogados realizaron ninguna declaración en relación

con las consecuencias de impuestos, si existen, del Monto del Arreglo en este Acuerdo o de ningún pago que se realice de conformidad con este Acuerdo. En la medida en que se interprete que este Arreglo o cualquiera de sus anexos contiene o constituye asesoramiento en relación con toda cuestión de impuestos estatal o federal, dicho asesoramiento no tiene por objeto ni fue escrito para ser utilizado, y no puede ser utilizado, por ninguna persona con el fin de evitar sanciones conforme al Código de Impuestos Internos. El Demandado no es responsable de las obligaciones de impuestos de ningún Empleado Agraviado en relación con la asignación de los pagos del arreglo. El pago de los Honorarios y Costos del Abogado PAGA se reflejará en un Formulario 1099 para el Abogado PAGA, quien asumirá plena responsabilidad por el pago de los impuestos adeudados sobre dichos pagos.

IV. EXENCIÓN DE RESPONSABILIDAD

33. Exención de responsabilidad por parte de todos los Empleados Agraviados.

Después de que el Tribunal apruebe este Arreglo, el Demandante, el Estado de California y cada Empleado Agraviado, durante el período del 23 de enero de 2023 al 16 de diciembre de 2024, eximirá de responsabilidad plenamente y para siempre a las Partes Eximidas por todos y cada uno de los Reclamos Cubiertos.

34. Exención de responsabilidad por parte del Demandante. Además de su participación en la exención de responsabilidad por parte de todos los Empleados Agraviados y a menos que se disponga lo contrario en el presente, en la Fecha de Vigencia de este Arreglo, el Demandante acordó un arreglo individual por separado que tiene como objeto compensar al Demandante por todos los reclamos adicionales, ya sean conocidos o desconocidos, contra el Demandado lo que incluye, de forma enunciativa y no limitativa, sus reclamos salariales y de carga horaria individuales presentados por separado pendientes en esta Acción Legal y una exención de responsabilidad general que también cubre reclamos por discriminación en el empleo, represalias, u otros reclamos individuales que no se estén litigando en este caso.

35. Como parte de este Arreglo, el Demandante proporciona una exención de responsabilidad total de los reclamos individuales en la medida permitida por la ley, más allá de

los reclamos que no se pueden eximir, tales como reclamos de compensación al trabajador. El Abogado PAGA no recibe ningún honorario de abogado relacionado con el arreglo individual del Demandante.

V. APROBACIÓN DEL ARREGLO

36. Las Partes reconocen que, de conformidad con la Sección 2699(l) del Código de Trabajo, se requiere la aprobación del Tribunal en caso de llegar a un arreglo sobre una acción legal PAGA sobre una base representativa. Sin embargo, como se explica en *Arias v. Superior Court*, 46 Cal.4th 969 (2009), las Partes no tienen la obligación de seguir las normas procesales de las demandas colectivas en los casos PAGA y, por lo tanto, no tienen necesidad de obtener la aprobación del arreglo PAGA a través de una moción de aprobación preliminar o definitiva. Consulte además *Mendoza vs. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) (“PAGA autoriza una acción legal representativa sin necesidad de certificación de clase”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) (“una demanda PAGA es fundamentalmente diferente de una demanda colectiva” en el sentido de que PAGA no tiene requisitos de aviso para los empleados agraviados no identificados, y dichos empleados no pueden excluirse de una acción legal PAGA”); *Williams vs. Sup. Ct.*, 3 Cal.5th 531, 546-547 (2017) (“PAGA no convierte a otros empleados potencialmente agraviados en partes o clientes del abogado del demandante, no impone a un demandante o abogado ninguna obligación fiduciaria expresa, y no somete a un demandante o abogado a escrutinio con respecto a la capacidad de representar a una clase numerosa”).

37. Con el objeto de cumplir con los requisitos de la Sección 2699(l) del Código de Trabajo, el Demandante presentará una Moción de Aprobación del Arreglo PAGA Representativo identificando los términos clave de este acuerdo de Arreglo y Exención de Responsabilidad y solicitando que el Tribunal apruebe el Arreglo (la “Moción de Aprobación”).

VI. EL PLAN DE PAGO DEL ARREGLO Y LA ADMINISTRACIÓN DEL ARREGLO

38. En un plazo de 30 días calendario después de la Fecha de Vigencia, el

Demandado compilará y entregará una lista de Empleados Agraviados (la “Lista de Empleados Agraviados”) que incluirá: (1) el nombre; (2) la última dirección particular y número de teléfono conocidos; (3) la cantidad de períodos de pago trabajados por un Empleado Agraviado durante el Período Cubierto; y (4) los números de Seguro Social de los Empleados Agraviados.

39. Sin perjuicio de cualquier otro recurso, tanto el Administrador del Arreglo como el Abogado PAGA eximirán al Demandado de toda responsabilidad, reclamo, causa de acción legal, costo y gasto (lo que incluye honorarios y gastos legales) que surjan de cualquier incumplimiento en compensar de forma oportuna o adecuada a los Miembros PAGA conforme a lo dispuesto en este Acuerdo. Los cheques de Pago del Arreglo correspondientes a la Parte de cada Empleado Agraviado se enviarán a cada Empleado Agraviado por el correo de primera clase de los Estados Unidos a la dirección del Empleado Agraviado con instrucciones al Administrador de Correos para que reenvíe los cheques de pago y devuelva al Administrador del Arreglo todos los cheques de pago que no se puedan entregar. En el envío del cheque de cada Empleado Agraviado se incluirá una carta aprobada por las Partes, con anterioridad a la presentación de la Estipulación de Aprobación, en la que se explicará este Arreglo y que se presentará al Tribunal para su revisión y aprobación. La fecha del envío por correo inicial del cheque de pago se determinará de forma concluyente según los registros del Administrador del Arreglo.

40. El Administrador del Arreglo se asegurará de que el 75% del Fondo de Sanciones PAGA se paga a la LWDA.

41. Los cheques de la Parte de Empleados Agraviados seguirán siendo válidos y negociables durante ciento ochenta (180) días calendario a partir de la fecha de su emisión. Todo fondo relacionado con cheques para la Parte de Empleado Agraviado de sanciones PAGA que no fueron cobrados en un plazo de 180 días se convertirá en nulo, y los montos relacionados con el cheque no cobrado se pagarán de conformidad con la sección 384 del Código Civil a un receptor “*cy pres*” acordado por las Partes, tal como lo exige la sección 384 del Código de Procedimientos Civiles o mediante todo otro método de distribución consistente con la sección

384 del Código de Procedimientos Civiles. Al vencimiento de los 180 días, el Administrador del Arreglo pagará todos los fondos del arreglo restantes al receptor “*cy pres*” designado. El receptor “*cy pres*” será CASA of Ventura County. Las Partes acuerdan expresamente esta distribución específica para todos y cada uno de los fondos no reclamados.

VII. OBLIGACIONES DE LAS PARTES ANTES DE LA APROBACIÓN

42. Inmediatamente después de la suscripción de este Arreglo, el Demandante presentará una Moción de Aprobación del Arreglo PAGA Representativo. Las Partes solicitarán al Tribunal que dicte una orden y sentencia definitiva que apruebe este Arreglo, tal como lo exige la sección 2699(l) del Código de Trabajo. El Demandante preparará y presentará una Moción de Aprobación del Arreglo PAGA Representativo. La Moción de Aprobación solicitará al Tribunal la aprobación de lo siguiente:

- a. Aprobación de los términos de este Acuerdo de Arreglo y Exención de Responsabilidad;
- b. Aprobación de los montos de los Honorarios y Costos del Abogado PAGA;
- c. Designación de ILYM Group, Inc. como el Administrador del Arreglo y aprobación del monto de Costos de Administración del Arreglo;
- d. Aprobación del monto del Pago por Servicios del Demandante; y
- e. Dictado de la Sentencia Definitiva.

43. Junto con la Moción de Aprobación del Arreglo PAGA, las Partes presentarán una propuesta de Sentencia Definitiva solicitando el dictado de la sentencia por un monto de \$120,000.00, que incluye el arreglo individual por separado del Demandante de \$20,000 y este Arreglo PAGA de \$100,000, a favor del Demandante y del Estado de California.

44. Los signatarios del presente declaran que cuentan con autorización plena para suscribir este Arreglo y vincular a las Partes del presente a los términos y condiciones del presente.

VIII. COOPERACIÓN MUTUA PLENA

45. Las Partes acuerdan cooperar plenamente de forma mutua para hacer cumplir los términos de este Arreglo incluyendo, de forma enunciativa y no limitativa, suscribir todo documento y tomar toda medida que pueda ser necesaria de forma razonable para implementar los términos de este Arreglo. Las Partes de este Arreglo harán todo lo posible, incluyendo todo lo que se contempla en este Arreglo y todo lo que pueda convertirse en necesario debido a una orden del Tribunal o de otra manera, para poner en práctica este Arreglo y los términos en el mismo.

X. SIN ADMISIÓN

46. Ninguna de las secciones incluida en el presente ni la consumación de este Arreglo será interpretada o considerada como una admisión de responsabilidad, culpabilidad, negligencia o acto indebido de parte del Demandado o ninguna de las Partes Eximidas. Cada una de las Partes del presente suscribió este Arreglo con la intención de evitar litigios y procesos judiciales adicionales con los consecuentes inconvenientes y gastos. El Demandado rechaza haber participado en actividades ilegales, haber incumplido la ley en algún aspecto material o tener alguna responsabilidad frente a nadie conforme a los reclamos que se hacen valer en la Demanda. Este Acuerdo se suscribe exclusivamente con el objeto de llegar a un arreglo de reclamos altamente disputados. Ninguna de las secciones de este Acuerdo tiene por objeto ni debe ser interpretada como una admisión de actos indebidos por parte del Demandado.

XI. USO NO PROBATORIO

47. Independientemente de si tiene lugar la Fecha de Vigencia, ni este Acuerdo ni ninguno de sus términos, ni el Acuerdo en sí mismo: (a) se interpretarán, ofrecerán o admitirán como prueba, se recibirán como prueba o se considerarán como prueba para cualquier fin adverso al Demandado o a cualquier otra de las Partes Eximidas lo que incluye, de forma enunciativa y no limitativa, prueba de presunción, concesión, indicación o admisión por cualquiera de las Partes Eximidas de toda responsabilidad, falta, acto indebido, omisión, concesión o daño, o (b) se divulgará, se hará referencia, u ofrecerá como prueba en contra de

cualquiera de las Partes Eximidas en todo proceso posterior en la Demanda, o en toda otra acción legal o proceso civil, penal o administrativo, excepto a los fines de poner en práctica el Arreglo conforme a este Acuerdo o para que el Demandado establezca que un Empleado Agraviado resolvió cualquiera de sus reclamos eximidos a través de este Acuerdo ni en contra del Demandante en esta Acción Legal.

XI. ANULACIÓN

48. Si (a) el Tribunal por cualquier motivo no aprueba este Arreglo en la forma acordada por las Partes (a excepción del monto de honorarios de abogados y costos, costos de administración del arreglo, o el pago por servicios propuesto) o (b) la aprobación del Tribunal de este Arreglo es revocada, modificada, declarada o dejada sin efecto, (i) este Arreglo se considerará nulo y sin efecto; (ii) ni este Acuerdo ni ninguna de las negociaciones o procesos relacionados tendrán ninguna vigencia ni efecto; y (iii) todas las Partes de este Acuerdo se encontrarán en la misma postura, sin perjuicio, como si este Acuerdo no se hubiera celebrado ni presentado ante el Tribunal. La invalidación de toda sección material de este Acuerdo, a excepción del monto de los honorarios de abogados y costos, los gastos de administración del arreglo o el pago por servicios propuesto del Demandante, invalidará este Acuerdo en su totalidad, a menos que las Partes acuerden posteriormente por escrito que las disposiciones restantes permanecerán en plena vigencia y efecto.

XII. HONORARIOS DE ABOGADOS, COSTOS Y GASTOS

49. A excepción de lo que se establece específicamente en el presente, cada una de las partes correrá con sus propios honorarios de abogados, costos y gastos, ya sea sujetos a impuestos o no, incurridos por las mismas que surjan de la Demanda y no solicitarán el reembolso de los mismos de ninguna otra parte en este Acuerdo.

XIII. INTERPRETACIÓN

50. Las Partes del presente acuerdan que los términos y condiciones de este Arreglo son resultado de negociaciones prolongadas, intensivas y en condiciones de igualdad entre las Partes, y que este Acuerdo constituye el acuerdo completo entre el Demandante (en su nombre y

en representación del Estado de California) y el Demandado sobre los reclamos concretos y potenciales que hace valer el Demandante contra las Partes Eximidas. Excluyendo el Acuerdo de Arbitraje que suscribieron las Partes antes del inicio de este proceso judicial y el Acuerdo de Arreglo Individual que cubre los reclamos individuales del Demandante y se dará a conocer al Tribunal, este Acuerdo reemplaza a todos los acuerdos anteriores, escritos o verbales, entre las Partes en relación con dichos reclamos o reclamos potenciales y la resolución de dichos reclamos. Por lo tanto, ningún otro acuerdo, declaración o promesa hecha por una Parte a otra en relación con todo tema tratado en este Acuerdo será vinculante o válido.

XIV. ENCABEZADOS E INTERPRETACIONES

51. Los títulos o encabezados de párrafos incluidos en el presente se insertan por un motivo de conveniencia y para referencia y de ninguna manera definen, limitan, amplían o describen el alcance de este Arreglo ni ninguna de sus disposiciones. Cada término de este Arreglo es contractual y no meramente declaratorio.

XV. MODIFICACIÓN

52. Este Arreglo solo puede ser enmendado, cambiado, alterado o modificado por escrito con la firma de las Partes (o sus sucesores en interés) del mismo. Este Arreglo se extinguirá únicamente debido a su cumplimiento de conformidad con sus términos o mediante un escrito firmado por las Partes del mismo.

XVI. DISPOSICIONES VARIAS

53. Este Arreglo incluye el acuerdo completo entre las Partes en lo que se refiere al Arreglo de los Reclamos Cubiertos y los Reclamos Eximidos del Demandante, y todos los acuerdos (excepto cualquier Acuerdo de Arbitraje y el Acuerdo de Arreglo Individual divulgado del Demandante), entendimientos y declaraciones anteriores o actuales, ya sean verbales o escritos, y ya sea de una parte o de los abogados de dicha parte, quedan fusionados por el presente. Solo es posible renunciar a un derecho conforme al presente por escrito. Las Partes investigaron los hechos y las leyes relativas a los temas que se describen en el presente y a este

Acuerdo según lo consideraron necesario, y no se basaron, ni se basan, en ninguna declaración, promesa o representación de hecho o de derecho, realizada por cualquiera de las otras partes, o cualquiera de sus agentes, empleados, abogados o representantes, con respecto a cualquiera de sus derechos o derechos hecho valer, o con respecto a la conveniencia de realizar y suscribir este Acuerdo, o con respecto a cualquiera de dichos temas que alteraría o cambiaría los términos de este Acuerdo. No se hizo ninguna declaración, ni se otorgó ninguna garantía o incentivo a ninguna parte sobre este Acuerdo más allá de las que se establecen o a las que se hace referencia en el presente.

54. Este Arreglo será vinculante y en beneficio de las Partes del mismo y sus respectivos herederos, fideicomisarios, albaceas, administradores, sucesores y cesionarios.

55. Este Arreglo puede suscribirse en ejemplares mediante una firma manuscrita por escrito o una firma electrónica (tal como a través de Dropbox Sign o DocuSign). Cuando cada Parte haya firmado y entregado al menos uno de dichos ejemplares, cada uno de ellos se considerará un original y, junto con los demás ejemplares firmados, constituirá un Arreglo, que será vinculante y válido para todas las Partes. Los ejemplares se pueden suscribir y/o enviar electrónicamente o por facsímil.

56. Este Acuerdo se regirá, interpretará y regulará, y los derechos de las Partes se determinarán de conformidad con las leyes del Estado de California, con independencia de los principios de elección de derecho del Estado de California.

57. Las Partes cooperaron para la negociación y preparación de este Acuerdo. Este Acuerdo no se interpretará contra ninguna de las Partes debido a que la Parte o el abogado de la Parte fue el que redactó o participó en la redacción de este Acuerdo. Por lo tanto, ambas Partes acuerdan que asumen el riesgo de error y que cada una de ellas acepta asumir por igual dichos riesgos, lo que incluye todos los riesgos potenciales relacionados con este Arreglo.

58. El Tribunal Superior de Ventura conservará la jurisdicción para hacer cumplir este Acuerdo, de conformidad con la sección 664.6 del Código de Procedimientos Civiles de California. El Tribunal conservará la jurisdicción permanente sobre esta Demanda y sobre todas

las Partes en la mayor medida posible para hacer cumplir y hacer efectivos los términos y la intención de este Acuerdo.

LAS PARTES LEYERON EL ACUERDO ANTERIOR. LAS MISMAS CONSULTARON A SUS ABOGADOS SOBRE EL ACUERDO ANTERIOR Y CONOCEN LOS CONTENIDOS DEL MISMO Y LO FIRMAN COMO UN ACTO LIBRE, A SABIENDAS Y VOLUNTARIO, SIENDO PLENAMENTE CONSCIENTES DE SUS CONSECUENCIAS Y SU EFECTO DEFINITIVO Y VINCULANTE.

12 / 19 / 2024
FECHA: _____, 2024

Juan José pinto perez
JUAN JOSÉ PINTO PÉREZ
como Representante PAGA

FECHA: 12/27, 2024

Darin Ranson
PARA GOLDENWOOD TRUSS CORPORATION
Por: DARIN RANSON
Su: V.P.



CERTIFIED TRANSLATION

A copy of the translated version is attached to this statement of certification.

Documents Translated For:

LAST NAME: Winston	FIRST NAME: David	MIDDLE NAME: N/A
COMPANY: Winston Law Group, P.C.	DIVISION: N/A	

List of Materials Translated:

Perez vs. Goldenwood Truss Corporation, Ventura County Superior Court Case No. 2024CUOE019811–PAGA Settlement and Release Agreement

Source Language:	English
Target Languages:	Spanish

Dallas, Texas

WITH REFERENCE TO THE ABOVE-MENTIONED MATERIALS/DOCUMENTS, we at ASTA-USA Translation Services, Inc., a professional document translation company, confirm that we are accredited and competent to translate the above referenced document(s) and attest that the language translation completed by ASTA-USA's certified professional translators, represents an accurate and correct interpretation of the terminology/content of the source document(s). **This is to certify the correctness of the translation only.** We do not guarantee that the original is a genuine document or that the statements contained in the original document(s) are true.

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By:

Alain J Roy, President

Date: November 22, 2024



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Exhibit 3

Exhibit 4

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse, Department 23

JUDICIAL OFFICER: HONORABLE BRAD SELIGMAN

Courtroom Clerk: Thaylore Smith

CSR: None

RG21107711

February 28, 2023

3:00 PM

Santillanes VS 1st Class Laundry

MINUTES

NATURE OF PROCEEDINGS: Hearing on Motion for Final Approval of Settlement

The Motion for Final Approval of Settlement filed by Luz Santillanes on 02/02/2023 is Granted.

The Motion for Final Approval of Class Settlement is GRANTED. The parties are ORDERED to submit a MS Word version of the proposed order and judgment to the Department 23 Clerk. The proposed order and judgment should include a proposed compliance date, which can be any Tuesday at 3:00pm.

BACKGROUND

Plaintiff initiated this action on August 4, 2021, and filed the operative first amended complaint ("FAC") on August 16, 2022. The FAC alleges various wage and hour violations, violation of California's Unfair Competition Law, and seeks penalties under California's Private Attorneys General Act ("PAGA").

This Court granted preliminary approval of the class settlement on October 13, 2022.

Plaintiff now seeks final approval of the class settlement, as well as an award of attorneys' fees in the amount of \$100,000, which represents 1/3 of the Settlement Fund, an award of litigation costs in the amount of \$11,366.26, an award of settlement administration expenses of \$12,500, and a service award to Plaintiff in the amount of \$7,500.

Notably, the Motion explains that "Defendant inadvertently excluded 15 Class Members in the prior data provided to Plaintiff and the Court. These employees were always included within the aggrieved employee group, but for some reason were left out of the Class data. Defendant also discovered that it had accidentally included three (3) class members within the class list twice. These issues were discovered after Defendant submitted the class data to the settlement administrator and before the class notice went out to the class. Nevertheless, due to cost reductions, the average estimated settlement award is now estimated to be \$240.80 as opposed to the \$227.64 estimated at preliminary approval." (MPA, p. 4 at fn. 3; see also Elliott Declaration, ¶¶ 4, 5.)

DISCUSSION

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

The Court finds the settlement fair, reasonable, and adequate, and therefore, the Motion for Final Approval of Class Action Settlement is GRANTED. (CRC 3.769.)

The case preliminarily settled for a total of \$300,000, which included PAGA penalties in the amount of \$20,000.00 to be split with the Labor & Workforce Development Agency (“LWDA”).

The Class Notice and procedure was adequate.

Following the Court’s preliminary approval, the Settlement Administrator ILYM Group, Inc. sent the Notice Packet, via First Class Mail, to the 638 individuals on the Class List. (Nava Decl., ¶ 7.) This included the 15 inadvertently omitted class members. (Elliott Decl., ¶ 5.) The Settlement Administrator also set up a website and posted copies of the Settlement Agreement, the Order granting preliminary approval, and other case-related documents. (Nava Decl., ¶ 15.)

Sixty-one Notice Packets were deemed undeliverable. (Nava Decl., ¶ 11.) The Settlement Administrator did not receive any objections by the deadline to submit written objections. (Nava Decl., ¶ 12.) Thus, Participating Class Members will receive an estimated average gross payment of \$240.81, with the highest gross payment being \$2,432.80 and the estimated minimum award being \$3.68. (Nava Decl., ¶ 15.)

A. Attorneys’ Fees & Costs

Class counsel seeks \$100,000 in attorneys’ fees, which represents 1/3 of the Gross Settlement Amount, and costs in the amount of \$11,366.26.

The Court finds the attorneys’ fees reasonable and necessary. Counsel Winston spent 138.40 hours on this case at an hourly rate of \$875. (Winston Decl., ¶ 34.) Counsel Na spent 31.1 hours on this case at an hourly rate of \$475. (Ibid.) Counsel collectively expended 169.50 hours for a total amount of \$135,875.50 in fees. (Ibid.)

Including two additional hours for future work results in a lodestar of \$137,622.50. (Winston Decl., ¶ 35.) Therefore, the requested fee award includes a negative multiplier. (Ibid.)

The Court finds the litigation costs reasonable and necessary. (Winston Decl., ¶ 38.)

Therefore, the Court approves the requested attorneys’ fees and costs. The Court ORDERS that 10% of the fee award to be kept in the administrator’s trust fund until the completion of the distribution process and Court approval of a final accounting.

B. Administration Costs

Counsel seeks settlement administration costs in the amount of \$12,500.00. (Nava Decl., ¶ 16.) The Court approves the administration costs of \$12,500.00.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

C. Service Award

Plaintiff requests a service award of \$7,500. (Santillanes Decl., ¶ 12.) Plaintiff estimates spending approximately 60.6 hours on this action. (Santillanes, ¶ 9.)

Additionally, during the pendency of this action, and before the parties mediated, Defendant ended its relationship with Plaintiff. (Santillanes Decl., ¶ 8 [ended in February 2022].) Plaintiff's releases all claims, known and unknown, "arising out of or in any way connected with her employment with Defendant..." and includes a Civil Code § 1542 waiver.

The Court approves a \$7,500 service award to Plaintiff.

The Court orders counsel to obtain a copy of this order from the eCourt portal.



By:

T. Smith, Deputy Clerk

Minutes of: 02/28/2023

Entered on: 03/01/2023

Exhibit 5

**SUPERIOR COURT OF SAN MATEO COUNTY**

400 County Center
Redwood City, CA 94063

1050 Mission Road
South San Francisco, CA 94080
www.sanmateo.courts.ca.gov

800 North Humboldt Street
San Mateo, CA 94401

Minute Order

**CLAUDIA CHACHAVAC vs. KUMAR MANAGEMENT CORPORATION, a
California Corporation, et al**

22-CIV-03110

04/02/2024 2:00 PM
Motion for Final Approval of
Class Settlement
Hearing Result: Held

Judicial Officer: Fineman, Nancy L.
Courtroom Clerk: Edward Tsai

Location: Courtroom G
Courtroom Reporter: Wendy Conde

Parties Present**Exhibits****Minutes**Journals

- At 2:02 PM - Matters are called.

No appearance by any parties herein or their counsel of record.

The court finds/orders:

Tentative Ruling is Adopted for both matters.

At 2:45 PM - After the Law and Motion calendar is called, the Court noticed a typo in the third paragraph in the Tentative Ruling where it incorrectly lists "\$15,00" instead of "\$15,000." The Court corrects and Adopts the Tentative Ruling with the following modification:

There is a \$1 million gross settlement to 1,708 current and former hourly-paid employees of defendant with \$15,000 being paid to the Labor and Workforce Development Agency (LDWA).

Case Events

- Tentative ruling modified and becomes order;; PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

TENTATIVE RULING:

The court rules on plaintiff's unopposed motion for final approval of class action settlement and award of attorneys' fees, service award and costs as follows:

The Court Grants Approval of the Settlement

Except as modified below, the court will sign the proposed final order submitted on February 9, 2024.

The court modifies Local Rule 3.403(b)(iv) (amended effective January 1, 2024) regarding the wording of proposed orders. Plaintiff shall submit an order which incorporates the tentative and the non-contradictory language in the submitted proposed order.

On October 31, 2023, the court granted preliminary approval to this class and PAGA (Private Attorney General Act) settlement. The action alleges wage and hour violations. There is a \$1 million gross settlement to 1,708 current and former hourly-paid employees of defendant with \$15,000 being paid to the Labor and Workforce Development Agency (LDWA). The LDWA has not objected to the settlement. The estimated recovery ranges from just over \$6.00 to about \$1,700. (Frost Decl., ¶ 15.)

In ruling on settlements involving class and PAGA claims, this court has a duty to independently determine whether a settlement is fair, reasonable and adequate. (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76-77 ["trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws."]; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129 ["The court has a fiduciary responsibility as guardians of the rights of the absentee class members when deciding whether to approve a settlement agreement."].)

In reviewing the evidence presented and conducting its independent review, the court finds that all the conditions for final approval have been met. The court gives final approval to the settlement, including the allocation between the class and PAGA settlement. (Code of Civ. Proc., § 382; *Richmond v. Dart Industries* (1981) 29 Cal.3d 462, 470). The class members were provided proper notice asset forth in the declaration of Jennifer Forst of CPT Group, Inc., the court approved settlement administrator. (Forst Decl., ¶¶ 2-5.) She explains the reasonable attempts to locate class members whose notices were returned and actions taken when it was determined a class member was improperly included in the class. (*Id.*, ¶¶ 6-10, 17.) There were one objection, which is considered untimely by the settlement administrator and no requests for exclusions. (*Id.*, ¶¶ 11, 12, Ex. B.) The class is ascertainable in that the class members have already been identified by defendant and they received notice of the settlement

There is a community of interest in that common questions of law and fact predominate involving whether defendant properly calculated employee compensation. For settlement purposes, this community of interest is sufficient. Plaintiff/class representative's claims are typical of the class claims because she is alleged to have suffered the same injury as other class members. Claudia Chachavac adequately represents the class, as set forth in her declaration and in having experienced class counsel. The settlement avoids the risk of the uncertainty of litigation. The settlement is fair adequate and reasonable. The law favors settlement and the fact that the class might be able to obtain more from a trial must be balanced against the risk of not having a class certified, receiving less than the settlement, including a defense verdict, the time and money that it would take to take the case to trial and through a potential appeal, and the potential for a change in law. While the attorney declaration in support of final approve is conclusory regarding the risks and benefits of the settlement (*Winston Decl.*, ¶¶ 7, 8), the attorney declaration supporting preliminary approval demonstrates that plaintiffs' counsel have weighed the pros and cons of proceeding with this case and concluded that the settlement is fair and reasonable. (*Ackermann Decl.* filed August 10, 2023, ¶¶ 9-35.) The settlement occurred after mediation based upon a mediator's proposal. (*Id.*, ¶¶ 8-9.) The fact that only one class member out of almost 2,000 objected to the settlement also strongly supports approval of the settlement. The class member who filed an objection not only filed the objection late, but provides no reason for the objection. The court approves the settlement.

The Court Grants Attorneys' Fees, Costs and Service Award

The court grants the attorneys' fees of 30% of the gross settlement amount. While a common fund fee is appropriate here, even a proper common fund-based fee award should be reviewed through a lodestar cross-check. In *Lafitte v. Robert Half International* (2016) 1 Cal.5th 480, 503 (*Lafitte*), the Supreme Court

endorsed the use of a lodestar cross-check as a way to determine whether the percentage allocated is reasonable. The Supreme Court stated: "If the multiplier calculated by means of a lodestar cross-check is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." (Id. at p. 505.)

In this case, the court believes that a fee of 30% is the proper award of attorneys' fees. (See, e.g., *Lafitte*, supra, 1 Ca1.5th at p. 506 ["33 1/3 percent of the common fund is consistent with, and in the range of, awards in other class action lawsuits"]; *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 545 [fee awards in class actions average about one-third of recovery]; *Chavez v. Nelflix* (2008) 162 App. 4th 43, 66 fn. 11 [final fee award was 27.9% of the benefits].) This court may use its own experience to determine the value of attorneys' fees. (*Spencer v. Collins* (1909) 156 Cal. 298, 306 ["The value of attorney's services is a matter with which a judge must necessarily be familiar. When the court is informed of the extent and nature of such services, its own experience furnishes it with every element necessary to fix their value."]; *Reynolds v. Ford Motor Company* (2020) 47 Cal.App.5th 1105, 1113-14 ["The trial court acted well within its discretion in using 'the prevailing market value in the community for similar legal services' relying on its personal knowledge and familiarity with the area legal services, as the 'touchstone' for determination" of the reasonable hourly rates." (citations omitted)]). This court had extensive experience in class action and other common fund cases while an attorney and has made decisions about attorneys' fees and costs frequently during her time as a judicial officer. While plaintiffs' counsel has requested 33%, the court has decreased that amount to 30%. There were no difficult issues in this case, and the parties started settlement negotiations quickly after the case was filed, there was no motion practice or formal discovery. Thus, the risk for counsel of not obtaining any compensation was small although, the court has taken into consideration the fact that plaintiffs' counsel has not been paid for any work.

Plaintiff references two cases venued in San Mateo County where the judges awarded 33%. The court has reviewed those cases and finds them distinguishable. Case no. 22Civ01708 assigned to the Hon. Robert D. Foiles (Ret.) was a case that had been litigated in federal court where extensive discovery, including depositions, had occurred before the case was remanded to this court. The case was litigated over four years in both courts and there were numerous issues. Judge Foiles' fee award was a negative multiplier. In 19Civ04765, assigned to the Hon. Marie S. Weiner (Ret.), there was a removal to federal court and remand, a motion to compel arbitration and two amended complaints. Judge Weiner crossed out on the fee award order that she found the rates reasonable. Neither of the judges' orders provide any analysis of why they found the 33% fee award reasonable. In this case, in contrast to the other two San Mateo cases, on August 1, 2022, plaintiffs filed the complaint, there was no law and motion activity and no formal discovery. In the first joint case management conference filed November 4, 2022, the parties stated that they were focused on informal discovery and mediation. In the joint case management conference filed on August 26, 2023, the parties stated that they have reached a settlement through mediation that had occurred on March 30, 2023. Plaintiff also reference trial court orders by judges in Alameda and San Joaquin counties, but the attached orders do not provide any analysis of why the court approved the fee award. The court does not mean to downplay the skill and hard work that plaintiffs' counsel expended to obtain the settlement, but only that this court in weighing all the facts exercises its discretion to award a 30% contingent on the gross recovery.

The court performs a lodestar cross-check. Cragg J. Ackermann and David Winston, attorneys on the case submitted declarations. They outlined their experience with employment law, providing information to justify their hourly rate, and provide a summary of the work that they and people in their firms performed. Ackerman's firm expended about 212 hours of time for a lodestar of about \$150,000. (Ackerman Decl., ¶¶ 8 14.) Winston spent about 70 hours for a total lodestar of about \$61,000. (Winston Decl., ¶ 30.) Based upon the court's knowledge and experience in San Mateo County, the court finds the hourly rates reasonable for San Mateo County. Plaintiffs contend that the court should take into account the reasonable rate for Los Angeles, but this court disagrees. In any event, that

argument is irrelevant because the court has found the hourly rates reasonable for comparable work performed in San Mateo County. The court finds that the work done by the attorneys was reasonable and necessary.

The court believes that a small multiplier is appropriate in this case. The lodestar amount " 'may be adjusted by the court based on factors including ... (1) the novelty and difficulty of the questions involved, (2) the skill displayed in presenting them, (3) the extent to which the nature of the litigation precluded other employment by the attorneys, (4) the contingent nature of the fee award.' ([Citations])" (Center for Biological Diversity v. County of San Bernardino (2010) 185 Cal.App.4th 866, 899.) " '[T]he purpose of a fee enhancement is primarily to compensate the attorney for the prevailing party at a rate reflecting the risk of nonpayment in contingency cases as a class.' [Citation] '[T]he unadorned lodestar reflects the general local hourly rate for a fee-bearing case; it does not include any compensation for contingent risk, extraordinary skill, or any other factors a trial court may consider.... The adjustment to the lodestar figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate market-level compensation for such services, which typically includes a premium for the risk of nonpayment or delay in payment of attorney fees.' [Citation] In cases involving the enforcement of constitutional or statutory rights, "such fee enhancements may make such cases economically feasible to competent private attorneys. [Citation.] '[M]ost lawyers of this quality do seem to consider the prospects of success and the fee recoverable before adding to their crowded calendars a case in which payment is contingent.' " [Citation.] (Ibid.) The trial court can consider contingent risk and delay in determining the reasonable hourly rates of the attorneys and not consider it when considering a multiplier. (California DUI Lawyers Assn. v. Department of Motor Vehicles (2022) 77 Cal.App.5th 517, 537.)

The court believes that a multiplier is appropriate here because of the fact that plaintiffs' counsel has had to wait to get paid for the work they have performed. The court believes that this multiplier is the appropriate multiplier based on the hours worked, the lack of motion practice or trial, and the fact that the case presented no novel issues. The court also notes that some of the work could have been performed by attorneys that had less experience and who would have billed at lower rates and that there is some duplication of effort. However, it might have taken less experienced lawyers more time to perform the work and there may have been inefficient work if more lawyers had worked on the case and thus the comment is not a criticism of the attorneys' work assignments.

The court awards the requested costs of \$27,693.90 and finds them reasonable and necessary for the litigation. The court also awards CPT Group, Inc., the settlement administrator, \$17,500.00 (Forst Decl., ¶17) finding that amount reasonable and necessary. The court approves the cy pres recipient of St. Jude's Children's Hospital.

The court awards \$5,000 to plaintiff Claudia Chachavac. The court has reviewed plaintiff's declaration and recognizes the work that plaintiff has performed and the potential reputational risk by agreeing to be a putative class representative. She states that she has spent about 24 hours working on the case and during the relevant time period she made \$17.25 per hour. (Chachavac Decl., ¶¶ 10.) Based upon the awards that each employee will receive and the fact that plaintiff did not have to sit for a deposition, respond to any formal discovery, or appear in person at the mediation, but only be on telephone standby, the court, in balancing the factors and exercising its discretion, finds that \$5,000 to plaintiff is a reasonable award. The law protects an employee from being retaliated against by an employer and if plaintiff believes that her employer is retaliating against her for being a plaintiff in this lawsuit, she shall notify her counsel who shall immediately notify the court. The court has not been advised at any time during the course of this litigation of any alleged retaliation.

The court sets a compliance hearing for February 4, 2025 at 2:00 p.m. No later than five court days before the hearing, the parties shall file and serve a compliance report.

If the tentative ruling is uncontested, it shall become the order of the court. Thereafter, counsel for plaintiff shall prepare a written order consistent with the court's ruling for the court's signature, pursuant to California Rules of Court, rule 3.1312, and provide written notice of the ruling to all parties who have appeared in the action, as required by law and the California Rules of Court.

- Party shall prepare formal order consistent w/order herein; Counsel for Plaintiff.

Others

Comments:

Future Hearings and Vacated Hearings

April 02, 2024 2:00 PM Motion for Attorney Fees

Conde, Wendy

Fineman, Nancy L.

Tsai, Edward

Courtroom G

February 04, 2025 2:00 PM Other hearing

Fineman, Nancy L.

Courtroom G

Exhibit 6

Mailing Date

NOTICE OF SETTLEMENT

Re: JUAN JOSE PINTO PEREZ, v. GOLDENWOOD TRUSS CORPORATION, Ventura County Superior Court, Case No. 2024CUOE019811

On XXXX, the Ventura County Superior Court issued an Order approving the settlement of claims brought pursuant to the Private Attorneys General Act of 2004 (“PAGA”). The Court approved a Settlement in the amount of \$100,000.00. After accounting for the Plaintiff’s attorney’s fees of \$33,333.33 and costs of \$3,470.66; settlement administration costs of \$3,650.00; and a service award to Plaintiff Pinto Perez in the amount of \$5,000.00; the remainder of the settlement (\$54,546.01) shall be paid as PAGA penalties pursuant to Labor Code section 2699(i) with 75% of the PAGA Penalties being paid to the California Labor and Workforce Development Agency (\$40,909.51), as required under PAGA, and 25% (\$13,636.50) paid to the Aggrieved Employees on a pro-rata basis based upon the number of pay periods worked from January 23, 2023 through December 16, 2024. Specifically, the portion of PAGA penalties distributed to each PAGA Aggrieved Employee shall be calculated by dividing the number of PAGA periods worked by an aggrieved employee during the covered period (January 23, 2023 through December 16, 2024) by the total number of pay periods worked by all aggrieved employees during the covered period and multiplying that amount by the amount of PAGA penalties awarded to the Aggrieved Employees (i.e. \$13,636.50).

By way of this Settlement, Defendant and each of their former and present directors, owners, officers, executives, managers, employees, shareholders, insurers, parent companies, predecessors, and successors have been released from claims the State of California can pursue for Labor Code violations committed against you for any and all claims, rights, or causes of action seeking civil penalties under PAGA that were alleged or reasonably could have been alleged against the Released Parties based on the factual allegations set forth in the January 23, 2024 PAGA Notice and the March 29, 2024 First Amended Complaint, including but not limited to Labor Code sections 201, 202, 203, 204, 210, 226, 226.2, 226.3, 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, and 1198. This includes claims that the Defendant failed to pay minimum wages, failed to pay overtime wages, failed to pay for non-productive time associated with piece rate work at the correct rate, failed to provide lawful rest periods, failed to pay sick pay and/or at the proper rate, failed to provide accurate itemized wage statements, and failed to timely pay wages during and after employment.

Defendant denies any liability or wrongdoing and contends, among other things, that it has complied at all times with the California Labor Code, the related California Wage Orders, and all other state and federal wage laws, and further contends that the Lawsuit is without merit.

You are receiving money under the Settlement because you are or were a non-exempt employee of Goldenwood Truss Corporation within the State of California who worked one or more pay periods from January 23, 2023 through December 16, 2024. Your settlement amount is <<\$ Amount>>. Your enclosed check is valid for one hundred and eighty (180) days from the date of its issuance. After that date, you cannot cash the check and it will be null and void. Funds attributable to such uncashed checks will be sent to the California Unclaimed Property Fund in your name.

<u>Questions About The Settlement:</u> WINSTON LAW GROUP, P.C. David S. Winston david@employmentlitigators.com 1880 Century Park East, Suite 511 Los Angeles, California 90067 Phone: (424) 288-4568 Fax: (424) 532-4062	<u>Questions About Your Check or Address Information:</u> [INSERT CONTACT INFORMATION for the Settlement Administrator]
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Exhibit 7

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This settlement agreement and release of all claims (the “Agreement”) is made and entered into by and among Juan Jose Pinto Perez (“Plaintiff”) on the one hand, and Goldenwood Truss Corporation (“Defendant” or “Goldenwood Truss”), on the other. Plaintiff and Defendant are referred to collectively as the “Parties” and individually as a “Party.” This Agreement is intended to resolve all disputes and extinguish those obligations described below.

RECITALS

WHEREAS, Plaintiff asserted claims arising out of Plaintiff’s employment relationship with Defendant including, but not limited to, those claims asserted in a complaint filed in Ventura County Superior Court, Case No. 2024CUOE019811 (the “Action”).

WHEREAS, the Action includes Plaintiff’s individual wage and hour claims and claims under the Private Attorney General Act (the “PAGA”);

WHEREAS, Defendant denies and disputes any and all of the alleged claims and allegations in the Action or those that could have been asserted by Plaintiff as a result of Plaintiff’s employment, and/or any relationship between Plaintiff and Defendant;

WHEREAS, the Parties have entered into a separate agreement regarding the PAGA Settlement (“PAGA Settlement”);

WHEREAS, the PAGA Settlement does not cover Plaintiff’s individual claims already pending before the Court as recognized in *Kim v. Reins Int’l Cal., Inc.*, 9 Cal. 5th 73 (2020), any claims related to the end of the relationship between Plaintiff and Defendant, and/or claims generally arising out of or in connection with Plaintiff’s employment;

WHEREAS, Plaintiff alleges that he has additional claims, including the individual wage and hour claims already before the Court, relating to his employment not covered by the PAGA Settlement and for which he is not being compensated under the PAGA Settlement including his individual wage and hour claims that are already pending before the Court;

WHEREAS the Parties through this Agreement desire to resolve any and all remaining possible known and unknown claims Plaintiff could have asserted as a result of Plaintiff’s employment, any relationship between Plaintiff and Defendant, and/or generally arising out of or

in connection with Plaintiff's employment and the cessation thereof aside from any claims for workers' compensation and/or any claims not releasable as a matter of law.

AGREEMENT

NOW THEREFORE, in consideration of and in exchange for the promises, covenants, and releases contained in the Agreement and the other valuable consideration described herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties mutually agree as follows:

1. **Settlement Payment.** For and in consideration of the commitments made herein by Plaintiff, Defendant agrees to provide Plaintiff the total sum of twenty-thousand dollars and zero cents (\$20,000.00) ("the Settlement Payment") in full compromise and settlement of all claims released herein by Plaintiff which shall be allocated as follows:

- a. Goldenwood Truss shall deliver to Juan Jose Pinto Perez, a check made payable to "Juan Jose Pinto Perez" in the amount of \$4,000.00 less applicable withholdings and deductions, attributable to alleged lost wages, which shall be reflected on an IRS Form W-2 issued to Juan Jose Pinto Perez; and
- b. Goldenwood Truss shall also deliver to Juan Jose Pinto Perez, a check made payable to "Juan Jose Pinto Perez" in the amount of \$16,000.00, attributable to non-wage damages, which shall be reflected on an IRS Form 1099 issued to Juan Jose Pinto Perez.

2. The Settlement Payment shall be paid by check payable to Plaintiff, Juan Jose Pinto Perez and shall be reported on IRS forms W-2 and/or 1099. Upon delivery of the Settlement Payment, Defendant will have fully met its obligations under this Agreement. As this payment is not a part of the proposed PAGA Settlement, Defendant shall mail the settlement payment directly to Plaintiff at 3601 Santa Fe Way, Shafter, CA 93263.

3. **Plaintiff's Release of Claims.** Plaintiff, for himself and for his heirs, executors, administrators, successors and assigns, hereby releases, acquits and forever discharges Defendant, and each of its current and former parents, subsidiaries, affiliates, predecessors, related entities, and each of their respective officers, directors, shareholders, employees, representatives, members, attorneys, insurers, re-insurers, (collectively "Releasees"), from any and all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorneys' fees, losses and expenses, known or unknown, suspected or

unsuspected, filed or unfiled, that he may have or have had arising out of any known or unknown fact, condition or incident occurring prior to the date of this Agreement, including but not limited to those arising out of or in connection with any claims, demand, charges, or complaints, including the Action, arising out of or in connection with his employment, the cessation thereof, or any other interaction or relations with Releasees. This release includes, without limiting the generality of the foregoing: any and all claims, demands, causes of actions, obligations, charges, liabilities, attorneys' fees, costs, actual, compensatory and punitive damages, and all claims for any other type of relief relating to, arising out of, or based upon: all claims of harassment, discrimination, and/or retaliation in violation of State or Federal law; all claims for failure to prevent harassment, discrimination, and/or retaliation; all claims of violation of public policy, including a claim for wrongful and/or constructive termination of employment; all claims based on tort and/or breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; all claims for unpaid commissions, wages, or other benefits, including minimum wage, overtime, double time, vacation, associated penalties and/or premiums, and expense reimbursement; all claims for rest or meal periods and associated penalties and/or premiums, and any and all claims for alleged violations of the California *Labor Code*; any claim for unlawful or unfair business practices; all claims for emotional distress; any and all claims which were or could have been asserted by Plaintiff; and all claims generally relating to Plaintiff's employment relationship and the cessation thereof, including any alleged violation of any federal, state or other governmental statute, regulation, ordinance, or executive order, including without limitation:

- (1) The Civil Rights Acts of 1866, 1964, and 1991, as amended;
- (2) 42 U.S.C. § 1981;
- (3) The California Fair Employment and Housing Act;
- (4) Section 503 of the Rehabilitation Act of 1973;
- (5) The Fair Labor Standards Act (including the Equal Pay Act);
- (6) The California and United States Constitutions;

- (7) The California Labor Code, specifically including, but not limited to the Private Attorneys General Act pursuant to *Labor Code* § 2699, *et seq.*;
- (8) The California Business & Professions Code;
- (9) The Employee Retirement Income Security Act, as amended;
- (10) The California Family Rights Act;
- (11) The Americans with Disabilities Act;
- (12) The Family Medical Leave Act;
- (13) The California Pregnancy Discrimination Act;
- (14) The California Wage Orders;
- (15) The National Labor Relations Act;
- (16) The Immigration Reform and Control Act;
- (17) The Worker Adjustment and Retraining Notification Act;
- (18) The California Occupational Safety and Health Act, or the Federal equivalent; and
- (19) The Age Discrimination in Employment Act.

This release in all respects has been voluntarily and knowingly executed by Plaintiff with the express intention of effecting the legal consequences provided in the California *Civil Code* § 1542, that is, the extinguishment of obligations herein designated.

4. Plaintiff's Waiver of Section 1542. Plaintiff states and affirms that it is his intention in executing this Agreement that the same shall be effective as a bar to each and every claim, demand, cause of action, obligation, damage, liability, charge, attorneys' fees and costs herein above released. Plaintiff expressly waives and relinquishes all of his rights and benefits, if any, arising under the provisions of California *Civil Code* § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5. Concurrent PAGA Settlement. In connection with this Settlement the Plaintiff

has also entered into a settlement agreement with Defendant wherein he has agreed to settle his claims on behalf of the State of California pursuant to PAGA. Unlike this agreement, the PAGA Settlement is limited to claims for PAGA penalties pursuant to Labor Code Section 2698 *et seq.*, whereas this Settlement encompasses all individual claims the Plaintiff has or could have against the Defendant as a result of his employment aside from workers' compensation and/or other claims not releasable as a matter of law. Plaintiff's Counsel is not receiving any attorneys' fees or cost reimbursement associated with Plaintiff's individual settlement. This Agreement shall be disclosed to the Ventura County Superior Court in the interests of transparency during the PAGA approval process.

6. Timing. Defendant has no obligation to provide the consideration as set forth in Paragraph 1 above until the later of three (3) months after the entry of Judgment in the action currently pending between the Parties in, Ventura County Superior Court, Case No. 2024CUOE019811, or thirty (30) days after the Effective Date which is defined as the later of: (i) the 61st day after the Court enters an order granting approval of the PAGA Action settlement, provided no appeal or motion for reconsideration or other efforts to obtain review has been filed; (ii) if any timely appeals or motions for reconsideration or review are filed, the 61st day after final resolution of any such appeals or motions for reconsideration or review have been concluded.

7. Acknowledgement. Plaintiff acknowledges and agrees that he would not otherwise be entitled to the consideration set forth in Paragraph 1, above, were it not for his covenants, promises, and releases set forth herein. Plaintiff acknowledges that Releasees shall owe Plaintiff nothing, except for any potential PAGA penalties and/or service award in association with the litigation in *JUAN JOSE PINTO PEREZ, an individual, on behalf of himself, others similarly situated, and as a private attorney general on behalf of the State of California, PLAINTIFF, v. GOLDENWOOD TRUSS CORPORATION, a California Corporation, and DOES 1 thru 50, inclusive, Defendants*, Ventura County Superior Court, Case No. 2024CUOE019811.

8. Issuance of Tax Forms; No Representation of Taxability. An IRS Form W-2 and 1099 will be issued to Plaintiff for the Settlement Payment as detailed in Section 1(b). Plaintiff understands and agrees that he solely is responsible for payment of any taxes which are required to be paid to the State of California, the United States Government, or any other entity as a result of this settlement. Plaintiff acknowledges and agrees that Releasees have not warranted or represented how the U.S. Internal Revenue Service or other governmental taxing authorities will treat the Settlement Payment for tax purposes, and agrees that no further payment of money to Plaintiff from Releasees will be due in the event that the payment or the release of claims embodied in this Agreement, or any portion thereof, is found by a government taxing authority to be, or to result in, additional taxable income to Plaintiff. Plaintiff agrees that, in the event that any federal, state or local agency takes the position that taxes should have been withheld from amounts paid pursuant to this Agreement, Plaintiff will be solely responsible for payment of any such alleged tax obligations and will indemnify and hold Releasees harmless from any resulting tax liability, interest, attorneys' fees, or penalty associated therewith. Plaintiff has the right to consult and should consult an accountant or other tax professional if he desires.

9. Non-Disclosure. Subject to the rights enumerated above, in consideration of the obligations under this Agreement, Plaintiff agrees that the amount of this Agreement is confidential, and that neither Plaintiff nor his heirs, executors, administrators, or assigns shall disclose or disseminate, directly or indirectly, the amount of the Settlement except that Plaintiff may disclose the terms of this Agreement to the Ventura County Superior Court, his attorneys, accountants, tax advisors, spouse/domestic partner, immediate family member, in any divorce proceedings to the extent required by law, the Internal Revenue Service, other government authorities, or as otherwise required by law ("Third Parties"), provided, however, that the Third Parties to whom such disclosure is made (other than the IRS or other government authorities) shall agree in advance to be bound by the terms of this paragraph to the maximum extent permitted by law. Notwithstanding the above, nothing in this Agreement is intended to prevent Plaintiff from disclosing the factual information identified and enumerated in Sections 1001(a) and 1002(a) of the California Code of Civil Procedure.

10. Non-Cooperation. Unless compelled by a validly issued subpoena or court order, Plaintiff agrees not to invite, solicit, initiate, participate, or otherwise cooperate in any way in any legal or adversary proceedings, or in any other public or private activity, taken against Defendant or Releasees, which may be contemplated or initiated by any persons or entities not a party to this Agreement. Nothing within this Agreement is intended to prevent or interfere with Plaintiff participating in any investigation, hearing, or proceeding conducted by any governmental agency.

11. No Admission of Liability. It is understood and agreed by the Parties that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Parties.

12. Attorneys' Fees and Costs. The Parties agree that they will bear their own attorneys' fees and costs incurred in connection with Plaintiff's individual claims and this Agreement. Plaintiff's/PAGA Counsel is not receiving any attorneys' fees or cost reimbursement associated with Plaintiff's individual settlement.

13. No Additional Recovery. It is the intent of this Agreement that Plaintiff, lienholders, and any other individual or entity with an interest in Plaintiff's claims shall not recover, directly or indirectly, any sums from Releasees other than the funds received pursuant to this Agreement and set forth in Paragraph 1 and his share of the PAGA penalties and any service award in the action titled: *JUAN JOSE PINTO PEREZ, an individual, on behalf of himself, others similarly situated, and as a private attorney general on behalf of the State of California, PLAINTIFF, v. GOLDENWOOD TRUSS CORPORATION, a California Corporation, and DOES 1 thru 50, inclusive, Defendants*, Ventura County Superior Court, Case No. 2024CUOE019811.

14. Entire Agreement. This Agreement constitutes the entire agreement between Plaintiff and Defendant regarding actual or potential, known and unknown, claims asserted by Plaintiff against Releasees and the resolution of those claims, which will remain in full force and

effect. Excluding any arbitration agreement executed by the Parties and the separate PAGA Settlement Agreement, this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding those claims or potential claims and the resolution of those claims, and no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid. This Agreement cannot be orally modified. Any amendment or modification to this Agreement must be in writing, signed by Plaintiff and by a duly authorized representative of Defendant. Plaintiff further represents that he is unaware of any agreement or promise, written or oral, between Releasees and/or anyone else, that could serve as the basis for any claim or action against Releasees that has not been released in this Agreement and/or in the concurrent PAGA Settlement.

15. No Reliance Upon Representations by the Other Side. Each Party hereto represents and acknowledges that in executing this Agreement it does not rely and has not relied upon any representation or statement made by any other Party or by the agents, attorneys or representatives of the other Party with regard to the subject matter of this Agreement, or its basis, or the effects of this Agreement other than those representations specifically set forth in this written document.

16. Binding Nature; No Assignment. This Agreement, and all the terms and provisions contained herein, shall bind the heirs, personal representatives, successors and assigns of each Party, and inure to the benefit of each Party, its agents, directors, officers, employees, servants, successors, and assigns. The Parties promise and guarantee that they have not made, and will not make, any assignment of any claim, chose in action, right of action, or any right of any kind whatsoever, embodied in any of the claims that are released herein, and that no other person or entity of any kind had or has any interest in any of the claims released herein.

17. Construction. This Agreement is the product of arms-length negotiations and is considered to be jointly drafted. As such, it shall not be construed against any party because that party caused it to be reduced to a written instrument.

18. Fairness of Settlement. The Parties agree that this settlement is fair and

reasonable. The Parties covenant never to challenge this Agreement.

19. Effect of Illegality or Unenforceability. Should any part, term or provision of this Agreement be declared or determined by any Court of competent jurisdiction to be wholly or partially illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms or provisions of this Agreement shall not be affected thereby. Said illegal, invalid or unenforceable part, term or provision shall be deemed not to be a part of this Agreement.

20. Compliance with Terms; No Waiver. The failure to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

21. Governing Law. This Agreement shall be interpreted under the laws of the State of California, both as to interpretation and performance.

22. Section Headings. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

23. Representative Capacity. Each Party executing this Agreement in a representative capacity represents and warrants that s/he is empowered to do so.

24. Counterparts and Facsimile/Digital Signatures. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an executed Agreement and each of which shall be deemed to be one and the same instrument. A facsimile or digital signature shall be treated as an original signature for all purposes.

25. Voluntary and Knowing. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto.

I, having read the foregoing Settlement Agreement and Release of All Claims and knowing the contents thereof, am effecting this settlement and executing this Agreement after having the opportunity to obtain legal advice from counsel, and I sign the same as my own free act.

12 / 19 / 2024

DATED: December __, 2024

Juan Jose pinto perez

JUAN JOSE PINTO PEREZ

DATED: December 27, 2024

Darin Ranson

FOR GOLDENWOOD TRUSS CORPORATION

By: *DARIN RANSON*

Its: *V.P.*

ACUERDO DE ASENTAMIENTO Y LIBERACIÓN DE TODOS RECLAMOS

Este acuerdo de asentamiento y liberación de todos reclamos (el “Acuerdo”) se realiza y es entrada en por y entre Juan Jose Pinto Perez (“Demandante”) por un lado, y Goldenwood Truss Corporation (“Acusado” o “Goldenwood Truss”), en el otro. Demandante y Acusado son referidos a colectivamente como las “Partes” e individualmente como una “Parte.” Este Acuerdo tiene la intención de resolver todas disputas y extinguir todas obligaciones descritas abajo.

RECITALES

MIENTRAS QUE, Demandante afirmo reclamos surgiendo fuera de la relación de empleo de Demandante con Acusado incluyendo, pero no limitado a, esos reclamos afirmados en una queja presentada en el Tribunal Superior del Condado de Ventura, Caso No. 2024CUOE019811 (la “Acción”).

MIENTRAS QUE, la Acción incluye reclamos individuales de salario y hora del Demandante y reclamos bajo el Acto Privado General de Abogados (el “PAGA”);

MIENTRAS QUE, Acusado niega y disputa cualquiera y todos los supuestos reclamos y alegaciones en la Acción o esos que pudieron haber afirmado por Demandante como un resultado del empleo de Demandante, y/o cualquiera relación entre Demandante y Acusado;

MIENTRAS QUE, las Partes han entrado en un acuerdo separado con respecto al Asentamiento de PAGA (“Asentamiento de PAGA”);

MIENTRAS QUE, el Acuerdo de PAGA no cubre los reclamos individuales del Demandante ya pendientes ante el Tribunal como reconocido en *Kim v. Reins Int'l Cal., Inc.*, 9 Cal. 5th 73 (2020), cualesquiera reclamos relacionados con el fin de la relación entre Demandante y Acusado, y/o reclamos generalmente surgiendo fuera de o en conexión con el empleo de Demandante;

MIENTRAS QUE, Demandante alega que él tiene reclamos adicionales, incluyendo los reclamos individuales de salario y hora ya ante el Tribunal, relacionados al empleo de él no cubierto por el Asentamiento de PAGA y por cual él no está siendo compensado bajo el Asentamiento de PAGA incluyendo reclamos individuales de salario y hora de él que ya están pendientes ante el Tribunal;

MIENTRAS QUE, las Partes a través de este Acuerdo desean resolver cualesquiera y todos reclamos restantes posiblemente conocidos o desconocidos Demandante pudo haber afirmado como un resultado del empleo de Demandante, cualquier relación entre Demandante y Acusado, y/o generalmente surgiendo fuera de o en conexión con el empleo de Demandante y la cesación de ello aparte de cualesquiera reclamos para compensación laboral y/o cualesquiera reclamos no-liberables como un asunto de ley.

ACUERDO

AHORA POR LO TANTO, en consideración de y a cambio de las promesas, pactos, y liberaciones contenidas en este Acuerdo y la otra consideración valiosa descrito dentro de aquí, la suficiencia de cual es por la presente reconocidos por las Partes, las Partes mutuamente acuerdan como sigue:

1. Pago del Asentamiento. Por y en consideración de los compromisos hechos dentro de aquí por Demandante, Acusado acuerda de proporcionar Demandante con la suma total de Veinte Mil Dólares y cero centavos (\$20,000.00) (el “Pago del Asentamiento”) en completo compromiso y asentamiento de todos reclamos liberados dentro de aquí por Demandante cual será asignado como sigue:

- a. Goldenwood Truss entregaran a Juan Jose Pinto Perez, un cheque hecho pagadero a “Juan Jose Pinto Perez” en el monto de \$4,000.00 menos retenciones y deducciones aplicables, atribuible a supuesto salarios perdidos, cual será reflejado en un Formulario del IRS W-2 emitido a Juan Jose Pinto Perez; y
- b.
- c. Goldenwood Truss también entregaran a Juan Jose Pinto Perez, un cheque hecho pagadero a “Juan Jose Pinto Perez” en el monto de \$16,000.00 atribuible a daños no-salariales, cual será reflejado en un Formulario del IRS 1099 emitido a Juan Jose Pinto Perez.

2. El Pago del Asentamiento será pagado por cheque hecho pagadero a Demandante, Juan Jose Pinto Perez y será reportado en formularios del IRS W-2 y/o 1099. Sobre el entrega del Pago de Asentamiento, Acusado habrá cumplido completamente sus obligaciones bajo este Acuerdo. Como este pago no es una parte del propuesto Asentamiento de PAGA, Acusado enviara por correo el pago del asentamiento directamente a Demandante al 3601 Santa Fe Way, Shafter, CA 93263.

3. Liberación de Reclamos de Demandante. Demandante, para él mismo y para sus

herederos, ejecutores, administradores, sucesores y asignados, por el presente libera, absuelve y para siempre descarga Acusado, y cada de sus actuales y anteriores padres, subsidiarios, afiliados, antecesores, entidades relacionadas, y cada de sus respectivos oficiales, directores, accionistas, empleados, representantes, miembros, abogados, aseguradoras, reaseguradoras, (colectivamente “Liberados”), de cualesquiera y todos reclamos, demandas, obligaciones, acciones, causas de acción, responsabilidades, deudas, promesas, acuerdos, demandas, honorarios de abogados, perdidas y gastos, conocidos o desconocidos, sospechados o no sospechados, presentados o no presentados, que él puede tener o pudo haber tenido surgiendo fuera de cualquier hecho conocido o desconocido, condición o incidente ocurriendo antes de la fecha de este Acuerdo, incluyendo pero no limitado a esos surgiendo fuera de o en conexión con cualesquiera reclamos, demandas, cargos, o quejas, incluyendo la Acción, surgiendo fuera de o en conexión con su empleo, la cesación de ello, o cualesquiera otra interacción o relaciones con Liberados. Esta liberación incluye, sin limitación a la generalidad de lo antecedente: cualesquiera y todos reclamos, demandas, causas de acciones, obligaciones, cargos, responsabilidades, honorarios de abogados, costos, actuales, daños compensatorios y punitivos, y todos reclamos por cualquier otro tipo de alivio relacionándose a, surgiendo fuera de, o basado sobre: todos reclamos de acoso, discriminación, y/o represalia en violación de ley Estatal o Federal; todos reclamos por falta de prevenir acoso, discriminación, y/o represalias; todos reclamos de violación de póliza publica, incluyendo un reclamo por despido injustificado y/o constructivo de empleo; todos reclamos basados en agravio y/o incumplimiento de contrato, ya sea por escrito u oralmente, expresado u implicado, y cualquier pacto de buena fe o trato justo; todos reclamos por comisiones, salarios, u otros beneficios no pagados, incluyendo salario mínimo, doble tiempo, vacación, penalidades y/o primas asociadas, y reembolso de gastos; todos reclamos por periodos de comida o descanso y penalidades y/o primas asociadas, y cualesquiera y todos reclamos por supuestos violaciones del Código Laboral de California; cualquier reclamo por prácticas negociales ilegales o injustas; todos reclamos por angustia emocional; cualesquiera y todos reclamos cuales fueron o pudieron haber sido afirmados por Demandante; y todos reclamos generalmente relacionados a la relación de empleo y la cesión de ello del Demandante,

incluyendo cualquier supuesta violación de cualesquiera federal, estatal u otro estatuto gubernamental, regulación, ordenanza, u orden ejecutiva, incluyendo sin limitación:

- (1) El Acto de Derechos Civiles del 1866, 1964, y, 1991, como enmendado;
- (2) 42 U.S.C. § 1981;
- (3) El Acto de Justo Empleo y Vivienda de California;
- (4) Sección 503 del Acto de Rehabilitación del 1973;
- (5) El Acto de Normas Laborales Justas (incluyendo el Acto de Pago Iguales);
- (6) Las Constituciones de California y de los Estados Unidos;
- (7) El Código Laboral de California, específicamente incluyendo, pero no limitado al Acto Privado General de Abogados de conformidad al Código Laboral § 2699, et seq.;
- (8) El Código de Negocios & Profesiones de California;
- (9) El Acto de Seguridad de los Ingresos de Retiro del Empleado, como enmendado;
- (10) El Acto de Derechos Familiares de California;
- (11) El Acto de Americanos con Discapacidades;
- (12) El Acto de Excedencia Medica Familiar;
- (13) El Acto de Discriminación de Embarazo de California;
- (14) Las Ordenes Salariales de California;
- (15) El Acto de Relaciones Laborales Nacional;
- (16) El Acto de Reformación y Control de Inmigración;
- (17) El Acto de Notificación de Ajustamiento y Reentrenamiento del Trabajador;
- (18) El Acto de Seguridad y Salud Ocupacional de California, o el equivalente Federal; y
- (19) El Acto de Discriminación de Edad en el Empleo.

Esta liberación en todos aspectos ha sido ejecutada voluntaria y conscientemente por Demandante con la intención expresa de efectuar las consecuencias legales proporcionados en el *Código Civil* de California § 1542, eso es, la extinción de obligaciones designados dentro de aquí.

4. Liberación de Sección 1542 del Demandante. Demandante declara y afirma que, es la intención de él en ejecutar este Acuerdo que lo mismo será efectivo como una barra a cada uno y todo reclamo, demanda, causa de acción, obligación, daño, responsabilidad, cargo, honorarios y costos de abogados liberados dentro de aquí arriba. Demandante expresamente libera y renuncia todos los derechos y beneficios de él, si hay, surgiendo bajo las provisiones del *Código Civil* de California § 1542, cual proporciona:

UNA LIBERACIÓN GENERAL NO EXTIENDE A RECLAMOS QUE EL ACREEDOR O PARTE LIBERADORA NO CONOCE NI SOSPECHA A EXISTIR EN EL FAVOR DE ÉL O ELLA AL TIEMPO DE EJECUTAR ESTA LIBERACIÓN Y QUE, SI CONOCIDO POR ÉL O ELLA, PUDIERA HABER MATERIALMENTE AFECTADO EL ASENTAMIENTO DE ÉL O ELLA CON EL DEUDOR O PARTE LIBERADA.

5. Asentamiento de PAGA Concurrente. En conexión con este Asentamiento el Demandante también ha entrado en un acuerdo de asentamiento con Acusado dentro cual él ha acordado a resolver sus reclamos en nombre del Estado de California de conformidad a PAGA. A diferencia de este acuerdo, el Asentamiento de PAGA es limitado a reclamos para penalidades de PAGA de conformidad a Sección del Código Laboral 2698 *et seq.*, mientras que este Acuerdo abarca todos reclamos individuales que Demandante tiene o pueda tener en contra del Acusado como un resultado de su empleo aparte de compensación laboral y/o otros reclamos no liberables como un asunto de ley. Abogado del Demandante no está recibiendo cualesquiera honorarios de abogados o reembolso de gastos asociados con el asentamiento individual de Demandante. Este Acuerdo será divulgado al Tribunal Superior del Condado de Ventura en los intereses de transparencia durante el proceso de aprobación de PAGA.

6. Tiempo. Acusado no tiene obligación de proporcionar la consideración establecido en Párrafo 1 arriba hasta tres (3) meses después de la entrada de Juicio en la acción actualmente pendiente entre las Partes en, Tribunal Superior del Condado de Ventura, Caso No. 2024CUOE019811, o treinta (30) días después de la Fecha Vigente lo cual es definido como el último de (i) el día 61 después que el Tribunal entra una orden otorgando aprobación del Asentamiento de Acción de PAGA, proporcionado ninguna apelación o moción para reconsideración u otros esfuerzos para obtener revisión son presentados; (ii) si cualesquiera

apelaciones o mociones para reconsideración o revisión son presentados, el día 61 después de resolución final de cualquier apelaciones o mociones para reconsideración o revisión hayan sido concluidas.

7. Reconocimiento. Demandante reconoce y acuerda que él de otro modo no tendría derecho a la consideración establecida en Párrafo 1, arriba, si no fuera por sus pactos, promesas, y liberaciones establecidas dentro de aquí. Demandante reconoce que Liberados deberán nada a Demandante, excepto por cualesquiera potenciales penalidades de PAGA y/o premio de servicio en asociación con el litigio en *JUAN JOSE PINTO PEREZ, un individual, en nombre de él mismo, otros situados similarmente y como un abogado general privado en nombre del Estado de California,, DEMANDANTE, v. GOLDENWOOD TRUSS CORPORATION, una Corporación de California, y DOES 1 a 50, inclusivo, Acusados*, Tribunal Superior del Condado de Ventura, Caso No. 2024CUOE019811.

8. Emisión de Formularios de Impuestos; No Representación de Imponibilidad. Un Formulario W-2 y 1099 del IRS serán emitidos a Demandante para el Pago de Asentamiento como detallado en Sección 1(b). Demandante entiende y acuerda que él solamente es responsable del pago de cualesquiera impuestos cuales son requeridos de ser pagados al Estado de California, el Gobierno de los Estados Unidos, o cualquier otra entidad como un resultado de este asentamiento. Demandante reconoce y acuerda que Liberados no han garantizado ni representado como el Servicio de Ingresos Internos del EE. UU. u otras autoridades gubernamentales de impuestos tratarán el Pago de Asentamiento por propósitos de impuestos, y acuerda que ningún pago adicional de dinero a Demandante de los Liberados serán debidos en el evento que el pago o la liberación de reclamos incorporados en este Acuerdo, o cualquier porción de ello, es encontrado por una autoridad gubernamental de impuestos de ser, o de resultar en, impuestos adicionales de ingresos a Demandante. Demandante acuerda que, en el evento que cualquier agencia federal, estatal o local toma la posición que impuestos deberían de haber sido retenidos de montos pagados de conformidad a este Acuerdo, Demandante será únicamente responsable por pago de cualesquiera tal supuestos obligaciones de impuestos e indemnizará y eximirá sin responsabilidad a Liberados de cualquier resultante responsabilidad de impuestos, interés,

honorarios de abogados, o penalidad asociada de ello. Demandante tiene el derecho a consultar y debería consultar con un contador u otro profesional de impuestos si él desea.

9. No-Divulgación. Sujeto a los derechos enumerados arriba, en consideración de las obligaciones bajo ese Acuerdo, Demandante acuerda que la cantidad de este Acuerdo es confidencial, y que ni Demandante ni sus herederos, ejecutores, administradores, o cesionarios divulgaran o diseminaran, directamente o indirectamente, el monto del Asentamiento excepto que el Demandante pueda divulgar los términos de este Acuerdo al Tribunal Superior del Condado de Ventura, sus abogados, contadores, asesores fiscales, cónyuge/pareja doméstica, familiar inmediato, en cualquier procedimiento de divorcio en la medida requerida por la ley, el Servicio de Impuestos Internos, otras autoridades gubernamentales, o como de lo contrario requerido por ley ("Partes Terceras"), proporcionado, sin embargo, que las Terceras Partes, a quienes se haga dicha divulgación (aparte del IRS u otras autoridades gubernamentales) acuerdan de antemano estar sujetos por estos términos de este párrafo a la medida máxima permitida por ley. Sin perjuicio de lo anterior, nada en este Acuerdo es destinado a prevenir Demandante de divulgar la información factual identificada y enumerada en Secciones 1001(a) y 1002(a) del Código de Procedimiento Civil de California.

10. No Cooperación. Al menos que este obligado por una citación válidamente emitida u orden tribunal, Demandante acuerda a no invitar, solicitar, iniciar, participar, o de otro modo cooperar de cualquier manera en procedimientos legales o adversarias, u en cualquier otra actividad pública o privada, tomado en contra de Acusado o Liberados, cual puede ser contemplado o iniciado por cualesquiera personas o entidades que no son una parte de este Acuerdo. Nada dentro de este Acuerdo tiene la intención de prevenir u interferir con Demandante participando en cualquier investigación, audiencia, o procedimiento conducido por cualquier agencia gubernamental.

11. No Admisión de Responsabilidad. Es entendido y acordado por las Partes que este Acuerdo representa un compromiso y asentamiento para varios asuntos y que las promesas y pagos y consideración de este Acuerdo no se interpretará de ser una admisión de cualquier

responsabilidad u obligación por las Partes.

12. Honorarios y Costos de Abogado. Las Partes están de acuerdo que ellos cargarán sus propios honorarios y costos de abogados incurridos en conexión con los reclamos individuales de Demandante y este Acuerdo. Los Abogados de Demandante/de PAGA no está recibiendo cualesquiera honorarios de abogados o reembolso de costos asociados con el asentamiento individual de Demandante.

13. Sin Recuperación Adicional. Es la intención de este Acuerdo que Demandante, los titulares de gravámenes, y cualquier otro individuo u entidad con un interés en los reclamos de Demandante no recuperarán, directa o indirectamente, cualesquiera sumas de los Liberados que no sea de los fondos recibidos de conformidad a este Acuerdo y establecido en Párrafo 1 y la parte de él de las penalidades de PAGA y cualquier premio de servicio en la acción titulado: *JUAN JOSE PINTO PEREZ, un individual, en nombre de él mismo, otros situados similarmente, y como un abogado general privado en nombre del Estado de California, DEMANDANTE, v. GOLDENWOOD TRUSS CORPORATION, una Corporación de California, y DOES 1 a 50, inclusivo, Acusados*, Tribunal Superior del Condado de Ventura, Caso No. 2024CUOE019811.

14. Acuerdo Completo. Este Acuerdo constituye el acuerdo completo entre Demandante y Acusado con respecto a reclamos actuales o potenciales, conocidos y desconocidos, afirmados por Demandante contra los Liberados y la resolución de esos reclamos, lo cual quedara en pleno vigor y efecto. Excluyendo cualquier acuerdo de arbitraje ejecutado por las Partes y el Acuerdo de Asentamiento de PAGA separado, este Acuerdo reemplaza todos acuerdos anteriores, escritos u orales, entre o entre las Partes con respecto a esos reclamos o reclamos potenciales y la resolución de esos reclamos, y ningún otro acuerdo, declaración, o promesa hecha por una Parte a otro como a cualquier asunto dirigido en este Acuerdo será vinculantes o válidos. Este Acuerdo no puede ser modificado oralmente. Cualquier enmendación o modificación a este Acuerdo debe ser en escrito, firmado por Demandante y por un representante debidamente autorizado de Acusado. Demandante aún más representa que él no es consciente de cualquier acuerdo o promesa, escrito u oral, entre los Liberados y/o cualquier otra

persona, que pueda servir como la base para cualquier reclamo o acción en contra de los Liberados que no ha sido liberado en este Acuerdo y/o el concurrente Asentamiento de PAGA.

15. Sin Dependencia Sobre Representaciones del Otro Lado. Cada Parte del presente representa y reconoce que en ejecutar este Acuerdo que no depende y no ha dependido sobre cualquier representación o declaración hecho por cualquiera otra Parte o por los agentes, abogados o representativos de la otra Parte con respecto al tema de este Acuerdo, o en su base, o los efectos de este Acuerdo que no sea esas representaciones específicamente establecidas en este documento escrito.

16. Naturaleza Vinculante; Sin Asignación. Este Acuerdo, y todos los términos y provisiones contenidos dentro de aquí, vincula los herederos, representantes personales, sucesores y cesionarios de cada Parte, y redundarán al beneficio de cada Parte, sus agentes, directores, oficiales, empleados, sirvientes, sucesores, y cesionarios. Las Partes prometen y garantizan que ellos no han hecho y no van a realizar, cualquier asignación de cualquier reclamo, elegido en acción, derecho de acción, o cualquier derecho de cualquier tipo, plasmado en cualesquiera de los reclamos que son liberados dentro de aquí, y que ningún otra persona o entidad de cualquier tipo tuvo o tiene cualquier interés en los reclamos liberados dentro de aquí.

17. Construcción. Este Acuerdo es el producto de negociaciones de plena competencia y se considera de ser conjuntamente redactado. Como tal, no se interpretará en contra de cualquier parte porque esa parte causó que se redujera a un instrumento escrito.

18. Equidad del Asentamiento. Los Partes están de acuerdo que este asentamiento es justo y razonable. Las Partes pactan a no impugnar este Acuerdo.

19. Efecto de la Ilegalidad o Inaplicabilidad. Si cualquier parte, termino, o provisión de este Acuerdo se declara o determina por cualquier Tribunal de jurisdicción competente ser completamente o parcialmente ilegal, invalido, o inaplicable, la legalidad, validez y aplicabilidad des las partes, términos, o provisiones restantes de este Acuerdo no serán afectados por ello. Tal termino, o provisión ilegal, invalida, o parte inaplicable, no serán considerados de ser parte de este Acuerdo.

20. Cumplimiento con Términos; No Renuncia. La falta de insistencia sobre cumplimiento con cualquier término, pacto o condición contenido en este Acuerdo no se considerará como una renuncia de ese término, pacto o condición, ni será cualquier renuncia o renuncia de cualquier derecho o poder contenido en este Acuerdo en cualquier otro tiempo o más veces se considerará una renuncia o renuncia de cualquier derecho o poder en cualquier otro tiempo o tiempos.

21. Ley Gobernante. Este Acuerdo será interpretado bajo las leyes del Estado de California, tanto a la interpretación y actuación.

22. Títulos de Sección. Los títulos de las secciones y de párrafos contenidos en este Acuerdo son solamente para propósitos de referencia y no afectarán de cualquier manera el significado o interpretación de este Acuerdo.

23. Capacidad Representativa. Cada Parte ejecutando este Acuerdo en una capacidad representativa representa y garantiza que él/ella está facultado para hacerlo.

24. Contrapartes y Firmas Facsímil/Digitales. Este Acuerdo puede ser ejecutado en cualesquiera números de contrapartes, cada de cual sería considerado como uno y el mismo instrumento. Un facsímil o firma digital se tratará como una firma original para todos propósitos.

25. Voluntario y Consciente. Este Acuerdo es ejecutado voluntariamente y sin cualquiera coacción o influencia indebida en la parte o en nombre de las Partes de ello.

Yo, después de haber leído el Acuerdo de Asentamiento y Liberación de Todos Reclamos y conociendo los contenidos de ello, estoy efectuando este asentamiento y ejecutando este Acuerdo después de tener la oportunidad de obtener el aviso legal de mis abogados, y yo firmo lo mismo como mi propio acto libre.

12 / 19 / 2024

FECHA: Diciembre __, 2024

Juan Jose pinto perez

JUAN JOSE PINTO PEREZ

FECHA: Diciembre 27, 2024

Darin Ranson
PARA GOLDENWOOD TRUSS CORPORATION
Por: DARIN RANSON
Sus: V.P.

I, Diana Guzman-Wug, am qualified to translate between English and Spanish. I translated the Settlement Agreement and Release of All Claims from English to Spanish. In my opinion, the Spanish translation is a true and correct version of the English document.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on **January 7, 2025** in Los Angeles, California.



DIANA GUZMAN-WUG