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Attorneys for Plaintiff MARK VARGAS,
individually and on behalf of others similarly
situated and aggrieved employees pursuant to
the California Private Attorneys General Act

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

MARK VARGAS, individually and on behalf
of others similarly situated and aggrieved
employees pursuant to the California Private
Attorneys General Act,

Plaintiff,

vs.

N & A ENTERPRISES INC. dba BIG D
FLOOR COVERING SUPPLIES, a California
Corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 24CV429551

Honorable Beth McGowen
Department 22

**DECLARATION OF LIZETH MARIN IN
SUPPORT OF PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: April 15, 2027
Time: 1:30 p.m.
Dept.: 22

Complaint Filed: January 19, 2024
FAC Filed: April 2, 2026
Trial Date: Not Set

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1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiff Mark Vargas (“Plaintiff”). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

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1 attended all hearings; attended all mediations; coordinated with class action administrators; prepared
2 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all
3 other intricate facets of litigation. During that time, he represented a wide range of clients from sole
4 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of
5 the cases he managed were highly publicized, with articles written about them in the Los Angeles
6 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has
7 regularly honored him as a Southern California Rising Star since 2012.

8 4. Miriam L. Schimmel is a 29-year litigator who joined Blackstone Law, APC in June
9 2022, following ten years of working with two well-known plaintiff-side wage and hour law firms in
10 Los Angeles. She obtained her Bachelor of Arts degree in Political Science from the University of
11 California at Los Angeles in 1992. Thereafter, she received her law degree from Loyola Law School
12 in 1996 and was admitted to the California State Bar in December 1996. Since her admission to the
13 Bar, she has devoted her practice to a wide variety of litigation matters on both the plaintiff and defense
14 side, including general business, toxic tort, medical device, and pharmaceutical matters. Since 2010,
15 her practice has been devoted almost entirely to employment litigation consisting of wage and hour
16 class actions and representative actions pursuant to PAGA, as well as individual actions based on
17 violations of the Fair Employment and Housing Act ("FEHA"). Approximately 75% of her work in
18 this regard has been on behalf of employees (plaintiffs), while the remaining 25% was on behalf of
19 employers/businesses. On many of those cases, she was the senior lead attorney managing the
20 litigation and overseeing other attorneys. In that capacity, she obtained extensive experience analyzing
21 potential wage and hour and wrongful termination claims for viability; took and defended hundreds of
22 depositions; propounded and responded to discovery; prepared and opposed a wide variety of motions
23 and pleadings, including dispositive and certification motions, as well as settlement approval motions;
24 strategized on all cases; participated in and directed communication with class members; attended
25 hearings; led and participated in mediations; coordinated with class action administrators; prepared
26 and worked with experts; and engaged in all other related aspects of litigation in state, federal,
27 complex, and appellate courts.

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1 5. Joana Fang is a highly skilled nine-year lawyer who is part of the team at Blackstone
2 Law, APC that litigated this matter. She is a 2015 graduate of Loyola Law School, and a 2011 graduate
3 of University of California, Berkeley where she was a double major in Legal Studies and Media
4 Studies. Since passing the Bar, Ms. Fang has exclusively represented plaintiffs in wage and hour
5 litigation, as well as catastrophic injury complex litigation. She is admitted to the State of California,
6 all federal district courts of California, and the U.S. Court of Appeals for the 9th Circuit. She was
7 most recently recognized as a 2025 Southern California Rising Star by Super Lawyers.

8 6. Alexandra Rose joined Blackstone Law, APC from a highly reputable employment law
9 firm. Ms. Rose graduated from the University of California, Los Angeles with a Bachelor of Arts
10 degree in 2016 and from New England Law | Boston with a Juris Doctor degree in 2019. She was
11 admitted to the State Bar of California in December of 2019 and the State Bars of New York and New
12 Jersey in 2023. Ms. Rose is additionally licensed in all federal district courts of California. Ms. Rose
13 manages the post-settlement department at Blackstone Law, APC. In that capacity, Ms. Rose oversees
14 and handles over 100 wage-and-hour putative class actions and/or representative actions under PAGA
15 that are in settlement.

16 7. Jared C. Osborne joined Blackstone Law, APC also from a highly reputable
17 employment law firm. He graduated from New York University with a Bachelor of Arts degree in
18 2009 and from University of Southern California Gould School of Law (USC) with a Juris Doctor
19 degree in 2020. While at USC, he was an Executive Senior Editor on the Southern California Law
20 Review and graduated in the top 10% of his class. He was admitted to the State Bar of California in
21 February 2021. Since his admittance, he has worked exclusively as a Plaintiff's side employment
22 attorney handling both individual and class action cases. He was most recently recognized as a 2025
23 Southern California Rising Star by Super Lawyers.

24 8. I am an Associate at Blackstone Law, APC, where I focus on representing employees
25 in wage-and-hour class actions and PAGA representative matters. I joined Blackstone Law, APC from
26 a highly reputable employment law firm and previously worked as an employment and labor attorney
27 at an Am Law 100 law firm, where I advised and represented employers in a broad range of
28 employment litigation. I graduated from the University of Oregon with a Bachelor of Science degree

1 in 2015 and from Lewis & Clark Law School (Lewis & Clark) with a Juris Doctor degree in 2018.
2 While at Lewis & Clark, I served as an Associate Editor for the Environmental Law Review. I was
3 admitted to practice law in Oregon in 2018 and in California in 2025. Since 2019, I have focused my
4 practice exclusively on employment law, representing clients in individual actions, class actions, and
5 PAGA matters.

6 9. Blackstone Law, APC has been counsel of record on several class action and PAGA
7 actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

8 **Procedural History of the Action**

9 10. On January 16, 2024, Plaintiff provided written notice to the California Labor and
10 Workforce Development Agency (“LWDA”) by online submission and to Defendant N & A
11 Enterprises Inc. dba Big D Floor Covering Supplies (“Defendant”) by U.S. Certified Mail, pursuant
12 to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code
13 alleged to have been violated by Defendant (“PAGA Letter”). A true and correct copy of the PAGA
14 Letter is attached hereto as **Exhibit 2**.

15 11. On January 19, 2024, Plaintiff filed a Class Action Complaint in the action entitled
16 *Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County
17 Superior Court Case No. 24CV429551 (“Action”), thereby commencing a putative class action against
18 Defendant.

19 12. On March 22, 2024, Plaintiff filed a Complaint for Enforcement Action Under the
20 Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* in the action entitled *Mark Vargas v.*
21 *N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County Superior Court Case
22 No. 24CV433727 (“PAGA Action”), which alleged one cause of action under PAGA against
23 Defendant.

24 13. On November 20, 2025, Plaintiff and Defendant (together, the “Parties”) participated
25 in a formal mediation conducted by Steven Rottman, Esq. (“Mediator”), a neutral and respected
26 mediator with extensive experience in complex wage and hour matters, and with the assistance of the
27 Mediator’s evaluations, the Parties were able to reach an agreement to resolve this dispute on a class
28 and representative basis. The Parties then worked diligently to negotiate and memorialize the terms

1 in a long form settlement agreement.

2 14. On April 2, 2026, Plaintiff filed a First Amended Class and Representative Action
3 Complaint (“Operative Complaint”) in the Action, which added the PAGA claims alleged in the
4 PAGA Action. The Operative Complaint alleges ten (10) causes of action for violations of the
5 California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to
6 provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant
7 rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment,
8 failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure
9 to reimburse necessary business expenses, for violations of California Business & Professions Code
10 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil
11 penalties under PAGA based on the aforementioned California Labor Code violations.

12 15. On April 24, 2026, the Parties executed the Joint Stipulation of Class Action and PAGA
13 Settlement (“Settlement Agreement”). A true and correct copy of the Settlement Agreement is
14 attached hereto as **Exhibit 3**.

15 16. On August 4, 2026, the Parties executed the Amendment No. 1 to Joint Stipulation of
16 Class Action and PAGA Settlement (“Amendment No. 1”). A true and correct copy of Amendment
17 No. 1 is attached hereto as **Exhibit 4**. Together, the Settlement Agreement and Amendment No. 1 are
18 referred to as the “Settlement.”

19 **Summary of the Terms of the Settlement**

20 17. For purposes of settlement only, the Parties have agreed that the Class shall be defined
21 as “all current and former hourly-paid and/or non-exempt employees who worked for Defendant in
22 the State of California at any time during the Class Period” (“Class” or “Class Member(s)”). The
23 Class Period is defined as the period from November 27, 2021 through December 31, 2025. Based on
24 information provided by Defendant, it is estimated that there is a total of four hundred fifty-two (452)
25 Class Members who worked fourteen thousand three hundred sixty (14,360) weeks for Defendant as
26 hourly-paid and/or non-exempt employees in California during the Class Period (“Workweeks”).¹

27 _____
28 ¹ At the time of this filing, Defendant has represented that there are an estimated 14,360 Workweeks. Accordingly, the

1 18. The Parties have agreed to settle the class and PAGA claims at issue in the Operative
2 Complaint for a non-reversionary Gross Settlement Amount of Four Hundred Five Thousand Dollars
3 and Zero Cents (\$405,000.00), exclusive of employer-side payroll taxes. The Gross Settlement
4 Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The
5 Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of thirty-five percent (35%)
6 of the Gross Settlement Amount (i.e., \$141,750.00 if the Gross Settlement Amount is \$405,000.00);
7 (2) Class Counsel’s actual litigation costs and expenses, not to exceed Thirty-Five Thousand Dollars
8 and Zero Cents (\$35,000.00); (3) Settlement Administration Costs, not to exceed Eleven Thousand
9 Dollars and Zero Cents (\$11,000.00); (4) Enhancement Payment in the amount of Ten Thousand
10 Dollars and Zero Cents (\$10,000.00); and (5) PAGA Amount in the amount of Twenty Thousand
11 Dollars and Zero Cents (\$20,000.00). After the above-estimated amounts are deducted from the Gross
12 Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently
13 estimated to be One Hundred Eighty-Seven Thousand Two Hundred Fifty Dollars and Zero Cents
14 (\$187,250.00). Additionally, 25% of the PAGA Amount (“PAGA Employee Amount”), which is
15 \$5,000.00 out of \$20,000.00, will be fully distributed to “all current and former hourly-paid and/or
16 non-exempt employees who worked for Defendant in the State of California at any time during the
17 PAGA Period” (“PAGA Employee(s)”). The “PAGA Period” is defined as the period from January
18 16, 2023 through December 31, 2025.

19 19. The Net Settlement Amount will be distributed and paid to all Class Members who do
20 not submit a timely and valid Request for Exclusion (“Settlement Class Member(s)”) on a *pro rata*
21 basis based on their number of Workweeks. The *pro rata* share of the Net Settlement Amount that a
22 Class Member may be eligible to receive under the Class Settlement (“Individual Settlement Share”)
23 will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

24 20. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on
25 a *pro rata* basis based on the number of pay periods each PAGA Employee worked for Defendant as
26 an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”).
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Escalator Clause in Paragraph 17 of the Settlement Agreement has not been triggered. The final Workweek count will be
calculated by the Settlement Administrator.

1 The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive
2 under the PAGA Settlement (“Individual PAGA Payment”) will be calculated by the Settlement
3 Administrator, in accordance with the Settlement Agreement.

4 21. Each Individual Settlement Share will be allocated as ten percent (10%) wages and
5 ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will
6 be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage
7 damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The
8 Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect
9 to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class
10 Members for their net payment of their Individual Settlement Share (“Individual Settlement
11 Payment”). The employer’s share of taxes and contributions in connection with the wages portion of
12 Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross
13 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
14 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

15 22. The Settlement is a non-reversionary and non-claims made settlement. The Net
16 Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will
17 be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement
18 Agreement. No money will revert to Defendant.

19 23. Each Individual Settlement Payment and Individual PAGA Payment check will be
20 valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are
21 issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be
22 distributed by the Settlement Administrator to the Bay Area Legal Aid. Blackstone Law, APC and
23 Plaintiff do not have an interest or conflict with the *cy pres* recipient, Bay Area Legal Aid.

24 **The Settlement is Reasonable**

25 ***Informed Arms-Length Negotiations***

26 24. The Parties’ settlement negotiations were at all times made at arm’s-length and were
27 adversarial. The Settlement was reached following a full day of mediation with a highly respected
28 mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in

1 additional negotiations in order to finalize the long-form agreement presently before the Court.

2 25. The Parties engaged in extensive informal discovery prior to reaching a settlement.
3 Prior to mediation, Defendant produced a random sampling of putative class members' time and pay
4 data and records as well as Defendant's relevant wage and hour policies, and information regarding
5 the total number of putative class members, the number of current versus former employees, the total
6 workweeks worked by the putative class members, and the average rate of pay for the putative class
7 members.

8 26. This allowed Class Counsel to conduct an informed assessment and analysis of the
9 strengths and weaknesses of the claims and the potential class-wide damages.

10 27. Based on the information exchanged, the Parties extensively briefed issues regarding
11 class certification and liability and provided their analyses to the Mediator who helped the Parties
12 debate the strengths and weakness of their respective positions. At all times, Plaintiff was willing and
13 prepared to litigate this matter through class certification and trial if the Parties had been unable to
14 reach a favorable resolution.

15 ***Estimate of Potential Value of Claims***

16 28. Class Counsel analyzed all available data and estimated Defendant's maximum
17 potential Class exposure to be approximately \$1,654,699, assuming the litigation was successful at
18 trial on all claims at issue and every employee had a violation for each claim on every shift worked.
19 This maximum potential analysis was then reduced based on the challenges facing the likelihood of
20 obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an
21 estimated maximum liability for all claims at issue and the total aggregate workweeks during the
22 relevant time period, less interest, and based on the analysis of the data which was extrapolated out
23 for all putative class members across the entire putative class period, which included: \$39,440 for meal
24 period violations (less meal period premiums paid); \$740,285 for rest period violations at a 100%
25 violation rate; \$144,603 for unpaid off-the-clock work for 1 hour per workweek of off-the-clock work;
26 \$1,435 for unpaid overtime wages at the required regular rate of pay; \$64,560 for unreimbursed
27 business expenses; \$336,376 for waiting time penalties; and \$328,000 for wage statement penalties.
28 Plaintiff further estimated that Defendant faced an additional exposure of \$620,000 in potential, non-

1 stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA
2 penalties. Together with the PAGA penalties, Defendant's maximum potential exposure totaled
3 \$2,274,699 in damages.

4 ***Specific Risks Considered***

5 29. Although the investigation and information discovered supports Plaintiff's contentions,
6 Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on
7 a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter
8 the Settlement. First and foremost, Defendant maintained throughout the litigation process that the
9 majority of the putative class members signed enforceable arbitration agreements with class action
10 waivers. Accordingly, this significantly affected the potential size of the putative class, and if
11 Defendant prevailed on its argument, the amount of damages would have been significantly affected.

12 30. Class Counsel is aware of Defendant's defenses and arguments and has also taken into
13 account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays
14 inherent in such litigation, including those involved in class and/or representative adjudication.
15 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted
16 in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary
17 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations
18 of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

19 31. Defendant denied and continues to deny any liability and wrongdoing of any kind
20 associated with the claims alleged in the Action, and further denies that class certification is
21 appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately
22 prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiff's
23 claims. Defendant contended that Plaintiff's claims are not suitable for class certification because
24 individual issues would predominate should this case go to trial. As with all class actions, these
25 complex cases raise difficult management and proof issues and, accordingly, there is a significant risk
26 that the Court may deny class certification.

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1 32. For example, Plaintiff's meal period claims, which were based on Defendant's alleged
2 failure to provide lawful meal periods, have been increasingly difficult to certify in recent years.
3 Plaintiff's theory of liability for meal period violations was based on allegations that Defendant had
4 failed to implement its policies and that its practices failed to allow Class Members to take meal breaks
5 in the manner required under California law. Defendant contended that its policies and practices at all
6 times during the Class Period were lawful. Indeed, Plaintiff's analysis revealed only a 6.1% violation
7 rate for purported unique meal period violations after offsetting for meal period premiums paid.
8 Defendant further argued that the rate of purported meal period violations reflected in the data would
9 require individualized inquiry and that such inquiry would prohibit a class from being certified. We
10 also had to consider the risk that the Court would find validity in the individualized proof defense to
11 certification of Plaintiff's meal period claim.

12 33. Additionally, a large portion of Defendant's overall liability lies in Plaintiff's rest
13 period allegations. As with the meal period allegations, Defendant contended that it had a lawful
14 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
15 required under California law. Additionally, this claim was even more uncertain given the difficulties
16 associated with proving the alleged rest period violations, as Defendant was not required to record
17 these breaks. Given the lack of records demonstrating rest period violations, there were legitimate
18 concerns Plaintiff would not be able to certify these claims or prove substantial damages with requisite
19 certainty, which made the estimated value of this claim subject to much challenge.

20 34. Plaintiff also faced challenges certifying and proving liability for his minimum wage
21 and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work
22 performed by the Class Members both before and after their shifts and during purported meal periods.
23 For example, it was reported that Plaintiff and the other Class Members often could not take their meal
24 breaks because they were expected to continue assisting customers at the counter and fulfill orders as
25 they came in. However, the individualized nature of why this work was performed and the
26 individualized nature of damages presented substantial concerns regarding the manageability of the
27 case and the risk the Court could find these issues prevented certification, and the estimated damages
28 for this claim were based on an assumption that all Class Members worked off the clock for at least

1 one hour per week.

2 35. Plaintiff also contended that Defendant failed to reimburse Plaintiff and the other Class
3 Members for necessary business-related expenses, such as the usage of personal cell phones for work-
4 related purposes. Defendant contended that it had a policy and practice of reimbursing employees for
5 necessary business-related expenses. Defendant further contended that, with respect to the alleged
6 expenses for which Plaintiff and the other Class Members never requested reimbursement from
7 Defendant, it did not know and had no reason to know that alleged business-related expenses had been
8 incurred. Defendant further contended that the reason for why a Class Member undertook certain
9 expenses, while not others, and failed to receive reimbursement for certain expenses while not others,
10 would raise individual issues that could not be certified.

11 36. There are also substantial risks associated with Plaintiff's waiting time penalties and
12 wage statement claims. First, these claims were derivative of Plaintiff's claims for unpaid meal period
13 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if
14 certification was denied on those underlying claims, these derivative claims for penalties would also
15 likely fail. Further, even if Plaintiff prevailed on his underlying claims, he would still be required to
16 demonstrate that Defendant's violations of California Labor Code section 203 were *willful* violations.
17 Wage statement claims have also seen varying treatment at the appellate level because such claims
18 have an element of discretion attached to them rather than a pure calculation of damages after liability
19 is proven. Accordingly, these derivative claims, which comprised a substantial portion of Defendant's
20 estimated liability, were therefore uncertain.

21 37. Class Counsel also recognized that, even if Plaintiff prevailed at class certification,
22 proving the amount of wages due to each Class Member would be an expensive, time-consuming, and
23 extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to
24 request and analyze thousands of pages of documents, obtain the Class Members' contact information,
25 contact them, and obtain declarations at great expense. Obtaining the cooperation of current
26 employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a
27 current employer. On the other hand, Defendant would likely be able to obtain the cooperation of its
28 employees. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals would

1 substantially delay any recovery by the Class.

2 38. Class Counsel also separately contemplated the risks of proceeding with the PAGA
3 claims and potential liability Defendant could face from these claims as part of the global resolution.
4 Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying
5 wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the
6 imposition of cumulative civil penalties based on the alleged wage and hour violations could be
7 considered unjust, arbitrary and oppressive, or confiscatory, and that Defendant would argue that it
8 made a good faith attempt to comply with its legal obligations warranting a reduction in penalties.
9 Class Counsel also anticipated Defendant would argue that the violations per pay period were low,
10 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that
11 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate
12 enforcement of California's labor laws by financing state activities and educating and deterring non-
13 compliance.

14 39. Accordingly, after considering this multitude of factors, we concluded that it was in the
15 best interest of the State of California and the PAGA Employees to enter into the Settlement, and to
16 allocate Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Gross Settlement Amount
17 towards the PAGA claims, which represents approximately 4.94% of the Gross Settlement Amount.
18 This percentage of the settlement is well-within the range of wage and hour settlements regularly
19 approved in both state and federal court for cases that include both a class and PAGA action.
20 Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims,
21 and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been
22 approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is
23 significant, not only from a monetary perspective, but also because it fulfills the public policy
24 objectives of PAGA—to promote enforcement of California's labor laws, provide funds to the state,
25 and deter future non-compliance by the employer.

26 40. Therefore, taking into account how each of the above risks potentially effected
27 Plaintiff's ability to first obtain class certification, and then prove the underlying violations, the
28 Court's broad discretion in civil penalties, plus the cost and delay in recovering the alleged potential

1 damages, Class Counsel discounted Defendant's estimated liability based on the challenges facing his
2 ability to succeed on class certification by 60% to \$909,880. The merits-based risk factors further
3 reduced Defendant's estimated liability by an additional 50%. This resulted in an adjusted estimated
4 liability of \$454,940. In light thereof, the settlement amount of \$405,000 is a significant settlement.

5 41. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate.
6 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of
7 California and is within the accepted range of recoveries for this type of litigation given the inherent
8 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
9 litigation.

10 ***Enhancement Payment***

11 42. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Enhancement
12 Payment of Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff Mark Vargas. This
13 Enhancement Payment is eminently reasonable given the time and effort Plaintiff spent on this case,
14 and the benefit to the Class Members as a result of Plaintiff's actions. Notice of the requested
15 Enhancement Payment is disclosed to the Class Members in the Class Notice.

16 ***Attorneys' Fees and Costs***

17 43. The attorneys' fees incurred by Class Counsel are in line with the common fund
18 requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an
19 amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$ 141,750.00 if the
20 Gross Settlement Amount is \$405,000.00) and actual litigation costs and expenses in an amount not
21 to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00), which will be paid out of the
22 Gross Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks
23 and costs of litigation and will not receive any compensation until recovery is obtained.

24 44. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
25 into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA
26 Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting
27 additional years for the same, or potentially worse, result; (2) a guaranteed result that compares
28 favorably with other similar class action settlements of this type, given the strengths and weaknesses

of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the case progress through certification, trial, and/or upon appeal.

45. Class Counsel has litigated this matter for over two years and was actively preparing this matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of the legal services provided, the time incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the Class Notice.

Notice to the Class

46. The Parties have agreed to retain Apex Class Action, LLC ("Apex" or "Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Apex to handle these procedures and to serve as the Settlement Administrator. Defendant will provide Apex with the Class List and Apex will calculate each Class Member's estimated Individual Settlement Share and each PAGA Employee's estimated Individual PAGA Payment. Apex will also receive and process Requests for Exclusion, Notices of Objection, and Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit necessary taxes and withholdings with respect to the wages portion of the Individual Settlement Shares; will prepare and submit informational and other tax filings and documents; will issue and transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual Settlement Payment checks to the Settlement Class Members and Individual PAGA Payment checks to the PAGA Employees; and perform any other usual and customary duties for administering a class action settlement.

47. I am not aware of an alternative method of providing notice to the Class which would result in a higher likelihood of actual notice. The original source of the mailing addresses is from each Class Member, who provided the information to Defendant. As a fail-safe to this highly reliable method, skip tracing will be performed, if necessary.

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Notice of Settlement to the LWDA

48. In accordance with California Labor Code section 2699(s)(2), on August 6, 2026, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 5**.

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

Executed on August 6, 2026, at Sandy, Oregon.


Lizeth Marin

EXHIBIT 1

- *Laura Abarca v. Skirball Cultural Center*, Los Angeles County Superior Court, Case No. 24STCV07567, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Frank Breckenridge v. Pacific Material Handling Solutions, Inc.*, Alameda County Superior Court, Case No. 24CV070227, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Gina Harris v. Arhaus, LLC, et al.*, Los Angeles County Superior Court, Case No. 24STCV24656, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Debra McDonald v. LFCU Financial Services, LLC dba Logix Federal Credit Union, et al.*, Los Angeles County Superior Court, Case No. 24STCV16050, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Gabriela Guerrero, et al. v. SAR California Holdco Inc. dba Sarku Japan*, Kern County Superior Court, Case No. BCV-23-104255, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Roman Ramirez Gallegos, et al. v. Dolex Dollar Express, Inc.*, Los Angeles County Superior Court, Case No. 23STCV21872, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Ismael Mercado, et al. v. Natural Alternatives International, Inc.*, San Diego County Superior Court, Case No. 37-2023-00052115-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcella Holmes, et al. v. Pacifica Hotel Company*, San Luis Obispo County Superior Court, Case No. 23CV-0681, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Daniel Pereira, et al. v. L.N. Curtis and Sons*, Alameda County Superior Court, Case No. 24CV101859, approved as counsel, in association with other counsel, in final

settlement of wage and hour class and PAGA action.

- *Dillan Burghart, et al. v. Watermark Services, IV, LLC*, Alameda County Superior Court, Case No. 23CV035212, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Kasim Hakimi v. Catalent Pharma Solutions, LLC*, Alameda County Superior Court, Case No. 24CV087209, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cesar Ibarra v. Leuen, Inc. dba The Original Pantry Café*, Los Angeles County Superior Court, Case No. 23STCV017182, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Sharon Baker v. OPARC*, Los Angeles County Superior Court, Case No. 24STCV11229, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Basilía Villa Magaña v. CJKANTRG PA, LLC*, Los Angeles County Superior Court, Case No. 23STCV25886, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexis Stuart-Drinnen v. DiCarlo's Italian Cafe, LLC, et al.*, San Bernardino County Superior Court, Case No. CIVSB2313579, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Monique Duong v. Boardwalk IG Management, LLC*, Orange County Superior Court, Case No. 30-2023-01334565-CU-OE-CXC, approved as counsel in final settlement of wage and hour class action.
- *Peter J. Gutierrez v. Univar Solutions USA Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV26851, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Steve Robles v. Avery Products Corporation*, Orange County Superior Court, Case No. 30-2024-01390483-CU-OE-CXC, approved as counsel in settlement of

representative wage and hour action pursuant to PAGA.

- *Dianna Flores v. Capitol Distribution Company LLC dba Capitol Food Company*, Los Angeles County Superior Court, Case No. 24STCV20477, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mark Trahan v. Celebrity Casinos, Inc. dba Crystal Casino*, Los Angeles County Superior Court, Case No. 25STCV30655, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jamie Ramires, et al. v. Bright Star Schools*, Los Angeles Superior Court, Case No. 23STCV15490, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alesia Williams v. Altamed Health Services Corp.*, Los Angeles Superior Court, Case No. 23STCV15413, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Moreno v. Kern Regional Center*, Kern County Superior Court, Case No. BCV-24-103353, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jonathan Cruz-Pulido v. Central Valley Meat Co., Inc., et al.*, Los Angeles County Superior Court, Case No. 24STCV13660, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Gregorio Pineda, et al. v. Orthopaedic Hospital dba Orthopaedic Institute for Children and Luskin Orthopaedic Institute for Children, et al.*, Los Angeles County Superior Court, Case No. 24STCV01618, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *John Price v. Fort Point Beer Company*, San Francisco County Superior Court, Case No. CGC-23-610592, approved as counsel in final settlement of wage and hour class and PAGA action.
- *David Jason Quiñones, et al. v. J-M Manufacturing Company Inc. dba JM Eagle*,

Los Angeles County Superior Court, Case No. 23STCV16439, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Laila Droubi, et al. v. GSF Properties, Inc.*, Kern County Superior Court, Case No. BCV-24-100950, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rowena Ray v. Sierra Central Credit Union*, Butte County Superior Court, Case No. 24CV02890, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Hamid Kondori, et al. v. Mission Imports, et al.*, Orange County Superior Court, Case No. 30-2022-01295280-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Johnny Rivas v. Buckingham Property Management*, Kings County Superior Court, Case No. 23CU0355, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Manuel Hernandez v. DHC PS Holdings LLC, et al.*, Alameda County Superior Court, Case No. 24CV079333, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Daniel He, et al. v. Bay Photo Lab Inc., et al.*, Los Angeles County Superior Court, Case No. 24STCV05682, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Leonard Moore v. Truepill, Inc.*, Alameda County Superior Court, Case No. 23CV047001, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Colton Ray v. Papé Machinery, Inc., et al.*, Humboldt County Superior Court, Case No. CV2402126, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Elba Garcia v. South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc.*, Los Angeles County Superior Court, Case No. 24STCV04382, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Miguel Avila v. Weber Metals, Inc.*, Los Angeles County Superior Court, Case No. 24STCV04071, approved as counsel in final settlement of wage and hour class action.
- *Hector Cornejo v. Renovo Solutions, LLC*, Los Angeles County Superior Court, Case No. 23STCV27376, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Juan Campos-Ledezma, et al. v. Institute for Environmental Health, Inc.*, Stanislaus County Superior Court, Case No. CV-23-006693, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jeanne Boudreau v. Intelliswift Software, Inc.*, San Francisco County Superior Court, Case No. CGC-23-611128, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Munguia v. Moog Inc.*, Los Angeles County Superior Court, Case No. 24STCV11688, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Francisco Javier Sanchez, Jr. v. Jim Crawford Construction Company, Inc.*, Fresno County Superior Court, Case No. 24CECG01421, approved as counsel in final settlement of wage and hour class action.
- *Jose Ramirez v. A.J. Kirkwood & Associates, Inc.*, San Diego County Superior Court, Case No. 24CU012580C, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Kirstie Deveaux, et al. v. Motorola Solutions, Inc.*, Santa Clara County Superior Court, Case No. 23CV427798, approved as counsel, in association with other

counsel, in final settlement of wage and hour class and PAGA action.

- *Geri Gates, et al. v. SD & A Teleservices, Inc.*, Los Angeles County Superior Court, Case No. 23STCV29390, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Bryan Zuniga v. Inova Diagnostics, Inc., et al.*, San Diego County Superior Court, Case No. 37-2023-00055201-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ivorya Geneve v. Mikuni Restaurant Group, Inc.*, Contra Costa County Superior Court, Case No. C23-02732, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Amira Fakira, et al. v. CSL Plasma, Inc.*, Alameda County Superior Court, Case No. 23CV057131, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Vadim Savin, et al. v. Fleetlogix Inc.*, San Diego County Superior Court, Case No. 37-2023-00051984-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Grace Weissmuller, et al. v. Astrix Technology, LLC*, Los Angeles County Superior Court, Case No. 21STCV45436, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Gabriel Perez, et al. v. Kimberlite Corporation, et al.*, Alameda County Superior Court, Case No. 24CV073959, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Armida Marquez v. The Nielsen Company (US), LLC*, Los Angeles County Superior Court, Case No. 23STCV06394, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Sergio Valdez v. Ampere Computing, LLC, et al.*, Santa Clara County Superior Court, Case No. 24CV438808, approved as counsel in final settlement of wage and hour

class and PAGA action.

- *Mario Mendoza v. Mingei International, Inc.*, San Diego County Superior Court, Case No. 37-2024-00015385-CU-OE-CTL, approved as counsel in final settlement of wage and hour class action.
- *Vivian Huynh v. Technical Safety Services, LLC*, Alameda County Superior Court, Case No. 23CV053505, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Connor Brown v. Bi-Rite Management Services LLC, et al.*, San Francisco County Superior Court, Case No. CGC-24-611385, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Joshua Gilmore v. Golden Bolt, LLC*, Los Angeles County Superior Court, Case No. 24STCV11281, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tony Jones v. Saddle Creek Corporation dba Saddle Creek Logistics Services*, Orange County Superior Court Case No. 30-2024-01379065-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Armida Burton v. Mercury Mission Systems, LLC*, Los Angeles County Superior Court, Case No. 24STCV02628, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Triada Pallidou v. TJB Geary's, LLC dba Geary's Beverly Hills*, Los Angeles County Superior Court, Case No. 24STCV15627, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Joey Ruiz, et al. v. Southern Tire Mart, LLC*, Los Angeles County Superior Court, Case No. 24STCV12037, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Salomon Garcia, et al. v. Atlas Freight Forwarding, Inc.*, San Diego County Superior Court, Case No. 37-2022-00039724-CU-OE-CTL, approved as counsel in final

settlement of wage and hour class and PAGA action.

- *Chardriana Jean v. Woodruff-Sawyer & Co.*, Alameda County Superior Court, Case No. 24CV102594, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Stephanie Leon v. Fulgent Therapeutics, LLC, et al.*, Los Angeles County Superior Court, Case No. 24STCV14168, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Emma Romero v. Charles Abbott Associates, Inc.*, San Bernardino County Superior Court, Case No. CIVSB2322374, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Karen Hartstein v. Hyatt Corporation*, Los Angeles County Superior Court, Case No. 20STCV15895, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Michael Casas, et al. v. Encorr Sheets, LLC*, San Bernardino County Superior Court, Case No. CIVSB2319925, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Quincy O'Neal v. Included Health, Inc., formerly known as Grand Rounds Health, Inc.*, San Francisco County Superior Court, Case No. CGC-23-608391, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Javario Datrail Luna v. A-Check America, Inc., et al.*, Riverside County Superior Court, Case No. CVRI2306180, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Kevin Werner, et al. v. Greystar Management Services, LP, et al.*, Los Angeles County Superior Court, Case No. 23STCV08498, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jully Mullings v. Antelope Ambulance Service*, Los Angeles County Superior Court,

Case No. 23STCV30241, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Maria Martina Aleman v. Holding Hands OPCO LLC dba Holding Hands, Inc.*, Los Angeles County Superior Court, Case No. 24STCV25240, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jesus Herrera v. Reeve Store Equipment Company*, Los Angeles County Superior Court, Case No. 22STCV04239, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Vanessa Vazquez v. Cliffs Resort LLC*, San Luis Obispo County Superior Court, Case No. 24CV-0025, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Javier Hernandez, Jr. v. DGDG I, LLC, et al.*, Santa Clara County Superior Court, Case No. 23CV416770, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Juan Manuel Munoz v. MGA Entertainment, Inc.*, Los Angeles County Superior Court, Case No. 23STCV06386, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mayra Campos Molina, et al. v. Harbor Hotels, LLC*, Los Angeles County Superior Court, Case No. 23STCV10683, approved as counsel in final settlement of wage and hour class and PAGA action.
- *William Sykes, IV, et al. v. Wente Bros.*, Alameda County Superior Court, Case No. 23CV048758, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Padilla, et al. v. WEHO Hospitality Sunset, LLC*, Los Angeles County Superior Court, Case No. 23STCV01072, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Marvin Morales v. Skurka Aerospace, Inc.*, Los Angeles County Superior Court,

Case No. 24STCV12893, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Tyler Krug, et al. v. EKC Enterprises, Inc.*, Kern County Superior Court, Case No. BCV-23-103975, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Joseph Amyot v. Silverthorn Resort, Inc.*, Shasta County Superior Court, Case No. 23CV-0203487, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marissa Hartman v. Napa LP Hospitality Corporation*, Napa County Superior Court, Case No. 23CV00116, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Lesly Arreguin, et al. v. Intercare Therapy, Inc.*, Los Angeles County Superior Court, Case No. 23STCV27972, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alma Lopez, et al. v. Advanced Manufacturing and Development, Inc.*, Mendocino County Superior, Case No. 23CV000673, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Brittini Aghedo, et al. v. Villa Esperanza Services*, Los Angeles County Superior Court, Case No. 23STCV27362, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Robin Jennings v. Mizuho Orthopedic Systems, Inc. dba Mizuho OSI*, Alameda County Superior Court, Case No. 24CV070891, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Jonathan Martin v. Atlas Digital, LLC*, Los Angeles County Superior Court, Case No. 23STCV30498, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cynthia Molt v. Los Angeles Film School, LLC*, Los Angeles County Superior Court,

Case No. 23STCV30757, approved as counsel in final settlement of wage and hour class and PAGA action.

- *William Ramirez v. Employer Solutions Staffing Group LLC*, Los Angeles County Superior Court, Case No. 23STCV24735, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Anu Verma v. SingerLewak LLC*, Los Angeles County Superior Court, Case No. 24STCV11344, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Toby Lanzarin, et al. v. Building Material Distributors, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00330343-CU-OE-GDS, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Kassandra Herndon, et al. v. Agreeya Solutions, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0002783, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Damon Siler, et al. v. Call-The-Car dba Call the Car*, Los Angeles County Superior Court, Case No. 24STCV07514, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Daniel Ochoa-Lopez v. CorTech West Staffing, LLC, et al.*, Los Angeles County Superior Court, Case No. 23STCV19480, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Juan Escobedo v. Block Tops, Inc.*, Orange County Superior Court, Case No. 30-2023-01356309-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Antonio Quintero v. Weyerhaeuser NR Company*, Los Angeles County Superior Court, Case No. 23STCV02624, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cristo Hernandez v. Eldorado National (California), Inc.*, Riverside County

Superior Court, Case No. CVRI2201056, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Rigoberto Tecaliz v. National Restaurant Inc. dba Black Bear Diner*, San Diego County Superior Court, Case No. 37-2023-00046906-CU-OE-CTL, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Cecilia Estrada v. The Roman Catholic Archbishop of Los Angeles*, Los Angeles County Superior Court, Case No. 24STCV07184, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Davis v. JAJ Roofing dba Citadel Roofing and Solar*, Sacramento County Superior Court, Case No. 23CV011004, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Aurelio Aguilar v. Supreme Car Wash, Inc.*, Los Angeles County Superior Court, Case No. 21STCV29696, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Aaron Coffey v. Catalina Channel Express, Inc.*, Los Angeles County Superior Court, Case No. 21STCV41396, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2023-0006866, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court, Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court, Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court, Case No.

24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.

- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Marcos Ojendiz, et al. v. Jonathan Louis International*, Los Angeles County Superior Court, Case No. 21STCV35253, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alex Javier Nakamoto v. Skydio, Inc.*, Alameda County Superior Court, Case No. 24CV062913, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Sitara Nayabhil v. San Francisco SPCA (dba SFSPCA), a California 501(c)(3) non-profit organization*, San Francisco County Superior Court, Case No. CGC-23-609950, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No.

24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No. 24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Odalys Montejo v. Team Nissan LLC*, Ventura County Superior Court, Case No. 2023CUOE017853, approved as counsel in settlement of representative wage and hour action pursuant to PAGA
- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Christa Morton, et al. v. PSI Services, LLC*, Fresno County Superior Court, Case No.

24CECG00039, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour

action pursuant to PAGA.

EXHIBIT 2



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Miriam Schimmel Esq.
mschimmel@blackstonepc.com

January 16, 2024

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*

To Whom It May Concern:

This office represents Mark Vargas (“Claimant”) with respect to their claims under the California Labor Code against N & A Enterprises Inc. dba Big D Floor Covering Supplies (including all affiliates, subsidiaries, parents, directors, and officers) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers have employed Mark Vargas since approximately August 2023 as a non-exempt, hourly-paid employee. Claimant has worked as a General Worker for Employers and is based out of Employers’ facility located at 2082 Zanker Rd, San Jose, CA 95131.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of his or herself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable Industrial Welfare Commission Wage Order (“IWC Wage Order”).

The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Order require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Order further require employers to pay no less than one and one-half times an employee's regular rate of pay for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice an employee's regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock prior to clocking-in and/or after clocking-out for their shifts. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

This uncompensated work often resulted in the total number of hours worked by Claimant and other Aggrieved Employees exceeding the daily and/or weekly triggers for overtime wages, yet Employers failed to pay Claimant and Aggrieved Employees applicable overtime rate(s) for these hours.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees.

Employers also failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant

to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. MEAL BREAK VIOLATIONS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7 & 512(a). Employers must provide a second meal period of no less than thirty (30) minutes before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. *Id.* For each day that an employer fails to provide compliant meal period(s), the employer must pay the employee a meal penalty equal to one hour of pay at the employee's regular rate of compensation. *Id.*

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal breaks, when provided, were oftentimes interrupted and/or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded their own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their

regular rate of pay for each day a compliant meal period was not provided to them in compliance with California law.

Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a) and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. REST BREAK VIOLATIONS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. For each day that an employer fails to authorize and permit a compliant rest period, the employer owes the employee one hour of pay at the employee's regular rate of compensation. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest

periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a rest period was not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (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 basis, (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, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described above, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the address of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The applicable IWC Wage Order requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the necessary purchase of belts from Employers' store for work-related purposes.

Accordingly, Employers violated the applicable IWC Order and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Employers failed to pay all wages due to their employees within twenty-four (24) hours of termination or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Claimant and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Claimant and Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Claimant and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends to pursue civil penalties on behalf of the LWDA against Employers for any and all other Labor Code violations committed by Employers. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for all Labor Code violations by Employer.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. Claimant hereby provides notice to the LWDA under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically asks for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that Claimant may allege a cause



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Beverly Hills, CA 90211
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of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this timeframe.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Miriam Schimmel
Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Big D Floor Covering Supplies
9961 Horn Road
Sacramento, CA 95827

Big D Floor Covering Supplies
2802 W Virginia Ave.
Phoenix, AZ 85009

N & A Enterprises, Inc.
7412 Anaconda Ave
Garden Grove, CA 94841

N & A Enterprises, Inc.
7261 Lampson Ave
Garden Grove, CA 92841

EXHIBIT 3

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Mark Vargas (“Plaintiff”
4 or “Class Representative”), individually, and on behalf of all others similarly situated and on behalf
5 of the State of California with respect to aggrieved employees, and Defendant N & A Enterprises Inc.
6 dba Big D Floor Covering Supplies (“Defendant”) (together, Plaintiff and Defendant are referred to
7 as “Parties” and individually as “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 PAGA Employees, and Defendant, subject to the terms and conditions hereof and the approval of the
11 Court.

12 **RECITALS**

13 1. On January 16, 2024, Plaintiff provided written notice to the Labor and Workforce
14 Development Agency (“LWDA”) by online submission and to Defendant by U.S. Certified Mail,
15 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor
16 Code alleged to have been violated by Defendant (“PAGA Letter”).

17 2. On January 19, 2024, Plaintiff filed a Class Action Complaint in the action entitled
18 *Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County
19 Superior Court Case No. 24CV429551 (“Action”), thereby commencing a putative class action against
20 Defendant.

21 3. On March 22, 2024, Plaintiff filed a Complaint for Enforcement Action Under the
22 Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* in the action entitled *Mark Vargas v.*
23 *N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County Superior Court Case
24 No. 24CV433727 (“PAGA Action”), which alleged one cause of action under the Private Attorneys
25 General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) against
26 Defendant.

27 4. On April 2, 2026, Plaintiff filed a First Amended Class and Representative Action
28 Complaint (“Operative Complaint”) in the Action, which added the PAGA claims alleged in the

1 PAGA Action. Together, the Action and PAGA Action are referred to as the “Actions.”

2 5. The Operative Complaint alleges ten (10) causes of action for violations of the
3 California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to
4 provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant
5 rest periods and premium payments in lieu thereof, failure to timely pay wages during employment,
6 failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure
7 to reimburse necessary business expenses, for violations of California Business & Professions Code
8 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil
9 penalties under PAGA based on the aforementioned California Labor Code violations.

10 6. Defendant denies all material allegations set forth in the Actions and has asserted
11 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
12 Defendant desires to fully and finally settle the Actions, Released Class Claims (as defined herein),
13 and Released PAGA Claims (as defined herein).

14 7. Class Counsel diligently investigated the class and PAGA claims against Defendant,
15 including any and all applicable defenses and the applicable law. The investigation included, *inter*
16 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
17 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
18 merits of the claims and contentions of the Parties.

19 8. On November 20, 2025, the Parties participated in mediation with Steven Rottman,
20 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance
21 of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The
22 Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an
23 informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs
24 and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation,
25 Class Counsel believes that the settlement with Defendant for the consideration and on the terms set
26 forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
27 Class Members, State of California, and PAGA Employees in light of all known facts and
28 circumstances, including the risk of significant delay and uncertainty associated with litigation and

1 various defenses asserted by Defendant.

2 9. The Parties expressly acknowledge that this Settlement Agreement is entered into
3 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
4 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
5 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
6 positions.

7 **DEFINITIONS**

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

10 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
11 Class Counsel’s litigation and resolution of the Actions and all actual costs and expenses incurred and
12 to be incurred by Class Counsel in connection with the Actions, as set forth in Paragraph 13.

13 b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or
14 non-exempt employees who worked for Defendant in the State of California at any time during the
15 Class Period.

16 c. “Class Counsel” means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
17 Jared C. Osborne, Alexandra Rose, and Lizeth Marin of Blackstone Law, APC, who will seek to be
18 appointed counsel for the Class.

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

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

27 f. “Class Period” means the period from November 27, 2021 through December
28 31, 2025.

1 g. “Class Settlement” means the settlement and resolution of all Released Class
2 Claims.

3 h. “Court” means the Superior Court of the State of California for the County of
4 Santa Clara.

5 i. “Defendant’s Counsel” means Linh T. Hua of Gordon Rees Scully Mansukhani,
6 LLP.

7 j. “Dispute” means a letter submitted by a Class Member disputing the number of
8 Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case
9 name and number of the Action; (b) contain the Class Member’s full name, signature, address,
10 telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c)
11 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to
12 the Class Member and what the Class Member contends is the correct number; and (d) be returned by
13 mail to the Settlement Administrator at the specified address, postmarked on or before the Response
14 Deadline.

15 k. “Effective Date” means the following: (the date by when both of the following
16 have occurred: (a) the Court enters the Final Approval Order and Judgment; and (b) the Final Approval
17 Order and Judgment is final. The Final Approval Order and Judgment is final as of the latest of the
18 following occurrences: (a) if no Settlement Class Member objects to the Class Settlement, the day the
19 Court enters the Final Approval Order and Judgment; (b) if one or more Settlement Class Members
20 objects to the Class Settlement, the day after the deadline for filing a notice of appeal from the Final
21 Approval Order and Judgment; or if a timely appeal from the Final Approval Order and Judgment is
22 filed, the day after the appellate court affirms the Final Approval Order and Judgment and issues a
23 remittitur; (c) if there is an appeal of the Court’s judgment, the date the judgment is affirmed on appeal,
24 the date of dismissal of such appeal, or the expiration of the time to file a petition for review to the
25 California Supreme Court and/or a petition for writ of certiorari to the United States Supreme Court,
26 or (ii) if a petition for review or writ of certiorari is filed, the date of denial of the petition for review
27 or writ of certiorari, or the date the judgment is affirmed pursuant to such petition; or (iii) if no appeal
28 is filed, the expiration date of the time for filing or noticing any appeal of the judgment.

1 l. “Employer Taxes” means the employer’s share of taxes and contributions in
2 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
3 in addition to the Gross Settlement Amount.

4 m. “Enhancement Payment” means the amount to be paid to Plaintiff, in
5 recognition of his effort and work in prosecuting the Actions on behalf of Class Members and PAGA
6 Employees, and general release of claims, as set forth in Paragraph 14.

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

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

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

14 q. “Gross Settlement Amount” means the amount of Four Hundred Five Thousand
15 Dollars and Zero Cents (\$405,000.00) to be paid by Defendant in full satisfaction of the Actions,
16 Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs,
17 Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement
18 Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes
19 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-
20 reversionary; no portion of the Gross Settlement Payment will return to Defendant. The Gross
21 Settlement Amount is subject to increase, as provided in Paragraph 17.

22 r. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
23 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
24 calculated in accordance with Paragraph 19.

25 s. “Individual Settlement Payment” means the net payment of each Settlement
26 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
27 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
28 Paragraph 20.

1 t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
2 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
3 in accordance with Paragraph 18.

4 u. “LWDA Payment” means the amount of Fifteen Thousand Dollars and Zero
5 Cents (\$15,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA
6 under the PAGA Settlement, as set forth in Paragraph 15.

7 v. “Net Settlement Amount” means the portion of the Gross Settlement Amount
8 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
9 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and
10 Settlement Administration Costs.

11 w. “Notice of Objection” means a Settlement Class Member’s written objection to
12 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
13 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
14 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
15 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
16 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
17 specified address, postmarked on or before the Response Deadline.

18 x. “PAGA Amount” means the allocation of Twenty Thousand Dollars and Zero
19 Cents (\$20,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
20 percent (75%) of the PAGA Amount, or \$15,000.00, will be paid to the LWDA (i.e., the LWDA
21 Payment) and the remaining twenty-five percent (25%), or \$5,000.00, will be distributed to the PAGA
22 Employees (i.e., the PAGA Employee Amount).

23 y. “PAGA Employee(s)” means all current and former hourly-paid and/or non-
24 exempt employees who worked for Defendant in the State of California at any time during the PAGA
25 Period.

26 z. “PAGA Employee Amount” means the amount of Five Thousand Dollars and
27 Zero Cents (\$5,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees on a
28 *pro rata* basis based on their Pay Periods.

1 aa. “PAGA Period” means the period from January 16, 2023 through December
2 31, 2025.

3 bb. “PAGA Settlement” means the settlement and resolution of all Released PAGA
4 Claims.

5 cc. “Pay Periods” means the number of pay periods each PAGA Employee worked
6 for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period.
7 Pay Periods will be calculated by the Settlement Administrator.

8 dd. “Preliminary Approval” means the date on which the Court enters the
9 Preliminary Approval Order.

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

13 ff. “Released Class Claims” means any and all claims which were alleged or which
14 could have been reasonably alleged based on the factual allegations in the Operative Complaint,
15 arising during the Class Period, which shall specifically include claims for Defendant’s alleged failure
16 to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium
17 payments, timely pay wages during employment and upon termination, provide accurate wage
18 statements, and reimburse necessary business-related expenses in violation of California Labor Code
19 Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and
20 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and
21 Professions Code sections 17200, *et seq.*

22 gg. “Released PAGA Claims” means any and all claims arising from any of the
23 factual allegations in the PAGA Letter and/or the Operative Complaint, arising during the PAGA
24 Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code
25 Sections 2698 *et seq.*, which shall specifically include claims for Defendant’s alleged failure to pay
26 overtime and minimum wages, provide compliant meal and rest periods and associated premium
27 payments, timely pay wages during employment and upon termination, provide compliant wage
28 statements, maintain complete and accurate payroll records, and reimburse necessary business-related

1 expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510,
2 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare
3 Commission Wage Order.

4 hh. “Released Parties” means Defendant and its current and former officers,
5 owners, directors, shareholders, agents, attorneys, employees, representatives, and affiliates.

6 ii. “Request for Exclusion” means a letter submitted by a Class Member indicating
7 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
8 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and
9 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class
10 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the
11 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

12 jj. “Response Deadline” means the deadline by which Class Members must submit
13 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
14 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to
15 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
16 Deadline will be extended to the next day on which the United States Postal service is open. The
17 Response Deadline may also be extended by express agreement between Class Counsel and
18 Defendant’s Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response
19 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original
20 Response Deadline.

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

26 ll. “Settlement Administration Costs” means the costs payable from the Gross
27 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
28 Paragraph 16.

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

3 nn. “Workweeks” means the number of weeks each Class Member worked for
4 Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period.
5 Workweeks will be calculated by the Settlement Administrator.

6 **CLASS CERTIFICATION**

7 11. For the purposes of this Settlement only, the Parties stipulate to the certification of the
8 Class.

9 12. The Parties agree that certification for the purpose of settlement is not an admission
10 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
11 whatever reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as
12 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
13 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
14 non-settlement context.

15 **TERMS OF THE AGREEMENT**

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

18 13. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application
19 or motion by Class Counsel for attorneys’ fees in the amount up to thirty-five percent (35%) of the
20 Gross Settlement Amount (i.e., \$141,750.00 if the Gross Settlement Amount is \$405,000.00) and
21 reimbursement of actual costs and expenses associated with Class Counsel’s litigation and settlement
22 of the Actions, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00),
23 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
24 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
25 the Actions, including without limitation all work performed and costs incurred to date, and all work
26 to be performed and all costs to be incurred in connection with obtaining the Court’s approval of this
27 Settlement Agreement, including any objections raised and any appeals necessitated by those
28 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this

1 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
2 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
3 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
4 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

5 14. Enhancement Payment. Defendant agrees not to oppose or impede any application or
6 motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars and Zero
7 Cents (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement
8 Amount, subject to Court approval, will be in addition to their Individual Settlement Payment as a
9 Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall be
10 solely and legally responsible for correctly characterizing this compensation for tax purposes and for
11 paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
12 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
13 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
14 benefit of the Settlement Class Members.

15 15. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
16 Twenty Thousand Dollars and Zero Cents (\$20,000.00) shall be allocated from the Gross Settlement
17 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section
18 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$15,000.00, will be
19 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$5,000.00, will be
20 distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the
21 total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the
22 Individual PAGA Payments).

23 16. Settlement Administration Costs. The Settlement Administrator will be paid for the
24 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
25 which is currently estimated not to exceed Seven Thousand Seven Hundred Fifty Dollars and Zero
26 Cents (\$7,750.00). These costs, which will be paid from the Gross Settlement Amount, subject to
27 Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing,
28 and tracking Class Notices and other documents for the Settlement, calculating and distributing

1 payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting,
2 filings, withholdings, and remittances, providing necessary reports and declarations, and other duties
3 and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the
4 extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein,
5 such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the
6 Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs
7 which are not in fact required to fulfill payment to the Settlement Administrator to undertake the
8 required settlement administration duties shall be reallocated to the Net Settlement Amount for the
9 benefit of the Settlement Class Members.

10 17. Escalator Clause. Defendant has represented that the Class Members worked a total of
11 approximately 13,350 workweeks from November 27, 2021 to November 20, 2025. If it is determined
12 by the Settlement Administrator that the total number of Workweeks worked by the Class Members
13 during the Class Period actually exceeds 13,350 by more than 10% (i.e., if the Workweeks exceed
14 14,685), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the
15 percentage increase in the number of Workweeks worked by the Class Members above 10%. For
16 example, if the number of Workweeks increases by 11% to 14,819 Workweeks, then the Gross
17 Settlement Amount will increase by 1%.

18 18. Individual Settlement Share Calculations. Individual Settlement Shares will be
19 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
20 Workweeks, as follows:

21 a. After Preliminary Approval, the Settlement Administrator will divide the Net
22 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
23 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
24 to yield each Class Member's estimated Individual Settlement Share that the Class Member may be
25 entitled to receive under the Class Settlement.

26 b. After Final Approval, the Settlement Administrator will divide the final Net
27 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek
28 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek

Value to yield each Settlement Class Member's final Individual Settlement Share.

19. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.

20. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

21. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

22. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation

1 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
2 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
3 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
4 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
5 Members, and PAGA Employees should consult with their tax advisors concerning the tax
6 consequences of any payment they receive under the Settlement.

7 23. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
8 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
9 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
10 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
11 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
12 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS
13 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
14 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
15 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
16 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
17 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
18 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
19 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
20 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
21 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
22 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
23 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
24 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
25 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S
26 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
27 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
28 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY

TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

24. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

25. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff as the representative of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether

1 Final Approval of the Settlement should be granted.

2 26. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(s)(2),
3 Class Counsel shall notify the LWDA of the Settlement.

4 27. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
5 Defendant will provide the Class List to the Settlement Administrator.

6 28. Notice by First-Class U.S. Mail.

7 a. Within ten (10) business days after receiving the Class List from Defendant, the
8 Settlement Administrator will perform a search based on the National Change of Address Database or
9 any other similar services available, such as provided by Experian, for information to update and
10 correct for any known or identifiable address changes, and will mail a Class Notice in English and
11 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via
12 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
13 Administrator.

14 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
15 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
16 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
17 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
18 attempt to determine the correct address using a skip-trace or other search, using the name, address,
19 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
20 calendar days.

21 c. Compliance with the procedures described herein above shall constitute due and
22 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
23 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
24 provide notice of the Settlement.

25 29. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
26 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to
27 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
28 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the

1 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute
2 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data
3 as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class
4 Member, Defendant's records will be presumed to be correct and determinative of the dispute.
5 However, if a Class Member produces information and/or documents to the contrary, the Settlement
6 Administrator will evaluate the materials submitted by the Class Member and the Settlement
7 Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that
8 the disputing Class Member should be credited with under the Settlement. The Settlement
9 Administrator's decision on such disputes will be final and non-appealable.

10 30. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
11 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
12 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
13 postmark on the return mailing envelope will be the exclusive means to determine whether a Request
14 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
15 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are
16 submitted, and also identify the individuals who have submitted a timely and valid Request for
17 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
18 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
19 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
20 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
21 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
22 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
23 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
24 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
25 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
26 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to
27 the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
28 submit a Request for Exclusion.

1 31. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
2 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
3 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
4 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
5 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
6 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
7 and complete and which were not), and also attach them to a declaration that is to be filed with the
8 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
9 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
10 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
11 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
12 whether they have submitted a Notice of Objection.

13 32. Reports by the Settlement Administrator. The Settlement Administrator shall provide
14 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
15 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of
16 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class
17 Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will
18 provide to counsel for the Parties any updated reports regarding the administration of the Settlement
19 Agreement as needed or requested, and immediately notify the Parties when it receives a request from
20 an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a
21 Dispute.

22 33. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members
23 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
24 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
25 Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of the
26 number of Class Members who have submitted timely and valid Requests for Exclusion following the
27 Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
28 administration owed to the Settlement Administrator incurred up to that date.

1 34. Certification of Completion. Upon completion of administration of the Settlement, the
2 Settlement Administrator will provide a written declaration under oath to certify such completion to
3 the Court and counsel for all Parties.

4 35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
5 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
6 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
7 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
8 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. Plaintiff and
9 Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement.
10 Class Counsel will provide Defendant's Counsel a draft of the final approval motion before filing it
11 with the Court. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order
12 and Judgment, which will provide for, in substantial part, the following:

13 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
14 consummation of its terms and provisions;

15 b. Certification of the Settlement Class;

16 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

17 d. Approval of the application for Enhancement Payment to Plaintiff;

18 e. Directing Defendant to fund all amounts due under the Settlement Agreement
19 and ordered by the Court; and

20 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
21 conformity with California Rules of Court 3.769 and the Settlement Agreement.

22 36. Funding of the Gross Settlement Amount. No later than thirty (30) calendar days after
23 the Effective Date, Defendant will deposit the Gross Settlement Amount and Employer Taxes into a
24 Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et*
25 *seq.*, to be established by the Settlement Administrator. Defendant shall provide all information
26 necessary for the Settlement Administrator to calculate necessary payroll taxes including its official
27 name, 8-digit state unemployment insurance tax ID number, and other information requested by the
28 Settlement Administrator, no later than five (5) business days after the Effective Date.

1 37. Distribution of the Gross Settlement Amount. Within five (5) business days of the
2 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
3 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
4 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
5 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
6 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
7 timely forward these to the appropriate government authorities.

8 38. Settlement Checks. The Settlement Administrator will be responsible for undertaking
9 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
10 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
11 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
12 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
13 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
14 Members and PAGA Employees are not required to submit a claim to be issued an Individual
15 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
16 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
17 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
18 associated with such canceled checks shall be distributed by the Settlement Administrator to the Bay
19 Area Legal Aid. The Parties agree that this disposition results in no "unpaid residue" under California
20 Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to Settlement
21 Class Members, whether or not they cash their settlement checks. Therefore, Defendant will not be
22 required to pay any interest on such amounts. The Settlement Administrator shall undertake amended
23 and/or supplemental tax filings and reporting required under applicable local, state, and federal tax
24 laws that are necessitated due to the cancelation of any Individual Settlement Payment and/or
25 Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment
26 checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA Employees
27 whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA
28 Settlement.

 39. Class Settlement Release. Upon the Effective Date and full funding of the Gross

Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

40. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

41. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, individually and on his own behalf, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, arising out of, relating to, or resulting from his employment and/or separation of employment with Defendant, which Plaintiff, at any time up until the execution of the Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general release and is to be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released hereunder by law. Any and all rights granted under any state or federal law or regulation limiting the effect of the Settlement Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

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

42. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for

sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the Class will be required.

43. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

44. Effects of Termination or Rescission of Settlement. Termination or rescission of the Settlement Agreement shall have the following effects:

a. The Settlement Agreement shall be void and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member, or attorney.

c. The terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the Settlement has been terminated; however, if the Court refuses to grant final approval of the settlement, Plaintiff shall pay 50% and Defendant shall pay 50% of any Settlement Administrator services rendered;

d. The Preliminary Approval Order and Final Approval Order and Judgment, including any order certifying the Class, shall be vacated;

e. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Actions prior to the execution of the Settlement Agreement;

f. Neither this Settlement Agreement, nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Actions or any other action for any purpose whatsoever; and

g. Any documents generated to bring the Settlement into effect, will be null and

1 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
2 likewise be treated as void from the beginning.

3 45. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
4 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
5 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
6 of action or right herein released and discharged.

7 46. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
8 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
9 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

10 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
11 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
12 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
13 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
14 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
15 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure
16 Section 1856(a), which provide that a written agreement is to be construed according to its terms and
17 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic
18 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement
19 Agreement.

20 48. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
21 the Actions (including with respect to California Code of Civil Procedure Section 583.310), except
22 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final
23 Approval Hearing to be conducted by the Court.

24 49. Amendment or Modification. Prior to the filing of the motion for preliminary approval
25 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
26 except by written agreement signed by counsel for all Parties. After the filing of the motion for
27 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
28 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
constitute a waiver of any other provision.

1 50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
9 confidentiality provisions that otherwise might apply under state or federal law.

10 51. Signatories. It is agreed that because the members of the Class are so numerous, it is
11 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
12 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
13 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
14 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
15 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
16 Member and PAGA Employee.

17 52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19 53. California Law Governs. All terms of this Settlement Agreement and attached exhibits
20 hereto will be governed by and interpreted according to the laws of the State of California.

21 54. Execution and Counterparts. This Settlement Agreement is subject only to the
22 execution of all Parties. However, this Settlement Agreement may be executed in one or more
23 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
24 copies of the signature page, will be deemed to be one and the same instrument.

25 55. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have arrived
27 at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking
28 into account all relevant factors, present and potential. The Parties further acknowledge that they are
each represented by competent counsel and that they have had an opportunity to consult with their

counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

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

57. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees, in connection with any enforcement actions.

58. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate to implement the Settlement.

59. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant

1 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
2 federal, state, local, or other applicable law.

3 60. Captions. The captions and paragraph numbers in this Settlement Agreement are
4 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
5 intent of the provisions of this Settlement Agreement.

6 61. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
7 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
8 construed more strictly against one Party than another merely by virtue of the fact that it may have
9 been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length
10 negotiations between the Parties, all Parties have contributed equally to the preparation of this
11 Settlement Agreement.

12 62. Representation By Counsel. The Parties acknowledge that they have been represented
13 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
14 that this Settlement Agreement has been executed with the consent and advice of counsel, and
15 reviewed in full.

16 63. All Terms Subject to Final Court Approval. All amounts and procedures described in
17 this Settlement Agreement herein will be subject to final Court approval.

18 64. Notices. All notices, demands, and other communications to be provided concerning
19 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
20 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
21 as follows:

22 To Plaintiff and Class Counsel:

23 Jonathan M. Genish

24 jgenish@blackstonepc.com

25 Miriam L. Schimmel

26 mschimmel@blackstonepc.com

27 Joana Fang

28 jfang@blackstonepc.com

Jared C. Osborne

josborne@blackstonepc.com

Alexandra Rose

arose@blackstonepc.com

Lizeth Marin

lmarin@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant and Defense Counsel:

Linh T. Hua
lhua@grsm.com
GORDON REES SCULLY MANSUKHANI, LLP
5 Park Plaza Suite 1100
Irvine, California 92614
Tel: (949) 255-6950 / Fax: (949) 474-2060

65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

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

IT IS SO AGREED.

PLAINTIFF MARK VARGAS

Mark Vargas

Dated: 04/17/2026

Plaintiff Mark Vargas

**DEFENDANT N & A ENTERPRISES INC.
dba BIG D FLOOR COVERING SUPPLIES**

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant N & A ENTERPRISES
INC. dba BIG D FLOOR COVERING
SUPPLIES

lmarin@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant and Defense Counsel:

Linh T. Hua
lhua@grsm.com
GORDON REES SCULLY MANSUKHANI, LLP
5 Park Plaza Suite 1100
Irvine, California 92614
Tel: (949) 255-6950 / Fax: (949) 474-2060

65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

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

IT IS SO AGREED.

PLAINTIFF MARK VARGAS

Dated: _____

Plaintiff Mark Vargas

**DEFENDANT N & A ENTERPRISES INC.
dba BIG D FLOOR COVERING SUPPLIES**

Dated: 04/24/2026

Full Name: D. Abernethy

Title: President / CEO
On behalf of Defendant N & A ENTERPRISES
INC. dba BIG D FLOOR COVERING
SUPPLIES

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies
Superior Court of California for the County of Santa Clara, Case No. 24CV429551

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Mark Vargas ("Plaintiff") and Defendant N & A Enterprises Inc. dba Big D Floor Covering Supplies ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County Superior Court, Case No. 24CV429551 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from November 27, 2021 through December 31, 2025.

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

"PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from January 16, 2023 through December 31, 2025.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On January 16, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On January 19, 2024, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On April 2, 2026, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action.

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant adamantly denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action, LLC, as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Mark Vargas as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Jared C. Osborne
Alexandra Rose
Lizeth Marin
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Four Hundred Five Thousand Dollars and Zero Cents (\$405,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$141,750.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his services in the Action; (3) the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$15,000.00) (“LWDA Payment”) and the remaining 25% (\$5,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Seven Thousand Seven Hundred Fifty Dollars and Zero Cents (\$7,750.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield

an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as ten percent (10%) as wages, which will be reported on an IRS Form W-2, and ninety percent (90%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From November 27, 2021 through December 31, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 16, 2023 through December 31, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [REDACTED]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter and the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendant and its current and former officers, owners, directors, shareholders, agents, attorneys, representatives, and affiliates.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$141,750.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Seven Thousand Seven Hundred Fifty Dollars and Zero Cents (\$7,750.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for

Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. PAGA Employees may not opt-out of the PAGA Settlement.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents

upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 22 of the Santa Clara County Superior Court, located at Old Courthouse, 161 North First Street, San Jose, California 95113, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

Although Class Members and PAGA Employees may appear in person, the Judge overseeing this case encourages remote appearances. Class Members and PAGA Employees who wish to appear remotely should contact Class Counsel at least three (3) days before the hearing if possible. Remote appearances must be made through UDC, unless otherwise arranged with the Court. Please go to <https://santaclara.courts.ca.gov/online-services/remote-hearings> to find the appropriate link. Also, please note that that you must register in advance to appear remotely.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting (<https://santaclara.courts.ca.gov/online-services/case-information-online>) and entering the Case Number for the Action, Case No. 24CV429551, or in person at Records, Superior Court of California, County of Santa Clara, 161 North First Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures.

You may also visit the Settlement Administrator's website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 4

**AMENDMENT NO. 1 TO THE
JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

This Amendment No. 1 to Joint Stipulation of Class Action and PAGA Settlement is entered into between Plaintiff Mark Vargas (“Plaintiff”) and Defendant N & A Enterprises Inc. dba Big Floor Covering Supplies (“Defendant”) (together, the “Parties”) pursuant to Paragraph 49 of the Joint Stipulation of Class Action and PAGA Settlement (“Original Agreement”) entered into between the Parties on April 24, 2026.

A. Paragraph 16 of the Original Agreement is hereby amended to state as follows:

Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed **Eleven Thousand Dollars and Zero Cents (\$11,000.00)**. These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator’s costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement administration duties shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

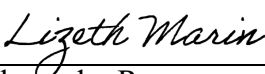
B. Paragraph 10.e. of the Original Agreement is hereby amended to state as follows:

“Class Notice” means the Notice of Class Action Settlement, substantially in the form attached here to as “Exhibit A.”

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BLACKSTONE LAW, APC

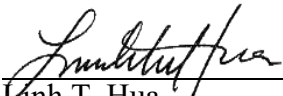
Dated: August 4, 2026



Alexandra Rose
Lizeth Marin
Attorneys for Plaintiff Mark Vargas

GORDON REES SCULLY MANSUKHANI, LLP

Dated: August 4, 2026



Linh T. Hua
Attorney for Defendant N & A ENTERPRISES
INC. dba BIG D FLOOR COVERING
SUPPLIES

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies
Superior Court of California for the County of Santa Clara, Case No. 24CV429551

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Mark Vargas ("Plaintiff") and Defendant N & A Enterprises Inc. dba Big D Floor Covering Supplies ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Santa Clara County Superior Court, Case No. 24CV429551 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from November 27, 2021 through December 31, 2025.

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

"PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from January 16, 2023 through December 31, 2025.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On January 16, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On January 19, 2024, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On April 2, 2026, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action.

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant adamantly denies all of the allegations in the Action or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement and Amendment No. 1 to Joint Stipulation of Class Action and PAGA Settlement (together, “Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action, LLC, as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Mark Vargas as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Jared C. Osborne
Alexandra Rose
Lizeth Marin
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Four Hundred Five Thousand Dollars and Zero Cents (\$405,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$141,750.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for his services in the Action; (3) the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$15,000.00) (“LWDA Payment”) and the remaining 25% (\$5,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Eleven Thousand Dollars and Zero Cents (\$11,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield

an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as ten percent (10%) as wages, which will be reported on an IRS Form W-2, and ninety percent (90%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From November 27, 2021 through December 31, 2025 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From January 16, 2023 through December 31, 2025 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Dispute”). The Dispute must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter and the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendant and its current and former officers, owners, directors, shareholders, agents, attorneys, representatives, and affiliates.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$141,750.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Eleven Thousand Dollars and Zero Cents (\$11,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of

Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. PAGA Employees may not opt-out of the PAGA Settlement.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Mark Vargas v. N & A Enterprises Inc. dba Big D Floor Covering Supplies*, Case No. 24CV429551); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents

upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 22 of the Santa Clara County Superior Court, located at Old Courthouse, 161 North First Street, San Jose, California 95113, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

Although Class Members and PAGA Employees may appear in person, the Judge overseeing this case encourages remote appearances. Class Members and PAGA Employees who wish to appear remotely should contact Class Counsel at least three (3) days before the hearing if possible. Remote appearances must be made through UDC, unless otherwise arranged with the Court. Please go to <https://santaclara.courts.ca.gov/online-services/remote-hearings> to find the appropriate link. Also, please note that that you must register in advance to appear remotely.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by visiting (<https://santaclara.courts.ca.gov/online-services/case-information-online>) and entering the Case Number for the Action, Case No. 24CV429551, or in person at Records, Superior Court of California, County of Santa Clara, 161 North First Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays and closures.

You may also visit the Settlement Administrator's website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 5



Thank you for your Proposed Settlement Submission

Desde no-reply@formassembly.com <no-reply@formassembly.com>

Fecha Jue 06/08/2026 12:57

Para Lorena Bautista <lbautista@blackstonepc.com>

[External Email].

08/06/2026 10:56:53 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 08/06/2026 10:56:53 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1005162-24

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)