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8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF LOS ANGELES**

11
12 **JUAN CARLOS CASTELLANOS GARCIA,**
an individual and on behalf of all others
13 similarly situated;

14 Plaintiff,

15 vs.

16 **MG DRYWALL CONSTRUCTION INC,** a
California Corporation; and DOES 1 through
17 50,

18 Defendants.

Case No.: 24STCV03488
(Related to Case No. 24STCV25583)

[Assigned for All Purposes to:
Hon. William F. Highberger, Dept. 10]

**DECLARATION OF WILLIAM C. SUNG
IN SUPPORT OF MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT, ATTORNEY'S
FEES AND COSTS, AND CLASS
REPRESENTATIVE SERVICE
PAYMENT**

(Filed concurrently with Supporting
Declarations and [Proposed] Order)

DATE: May 27, 2026
TIME: 10:00 a.m.
DEPT: 10

Action Filed: February 9, 2024
Trial Date: Not Set

1 I, William C. Sung, hereby declare as follows:

2 1. I am an attorney licensed to practice law in the state of California and have been
3 admitted to practice before this Court. I am an attorney with the law firm of Justice for Workers,
4 P.C., counsel of record for Plaintiff Juan Carlos Castellanos Garcia (“Plaintiff”) in this action. I am
5 lead counsel for Plaintiff in this case and I have personal knowledge of the matters stated herein and
6 if called and sworn as a witness, I would and could competently testify under oath thereto.

7 **ATTORNEY QUALIFICATIONS**

8 2. My qualifications are as follow: I received my J.D. from the University of Southern
9 California Gould School of Law in 2011. During law school, I served as the Senior Content Editor
10 on the Southern California Law Review where I published the article: *Taking the Fight Back to Title*
11 *VII: A Case for Redefining “Because of Sex” to Include Gender Stereotypes, Sexual Orientation,*
12 *and Gender Identity*, Southern California Law Review, Volume 84:2 (Jan. 2011). During law
13 school, I also served as a judicial extern to U.S. Ninth Circuit Judge, Hon. Kim M. Wardlaw, and
14 U.S. Bankruptcy Court Judge, Hon. Ernest M. Robles; served as a law clerk to the General Counsel
15 of JM Eagle; and participated in the law school’s Employer Legal Advice Clinic.

16 3. After passing the California Bar, in December 2011, I began practicing management-
17 side employment law at the Los Angeles office of Lewis Brisbois Bisgaard & Smith LLP
18 (“LBBS”). In 2013, I began focusing my practice at Lewis Brisbois on representing employers in
19 wage and hour class and PAGA action lawsuits. In January 2017, I was elevated to the position of
20 partner and vice chair of Lewis Brisbois’ Wage & Hour Class Action Practice Group. In November
21 2020, I was elevated as the co-chair of Lewis Brisbois Wage & Hour Class Action Practice Group,
22 becoming one of the youngest attorneys to chair a practice group at Lewis Brisbois. In January
23 2022, I was voted in as an equity partner, becoming one of the youngest equity partners and the
24 third Asian American equity partner in the history of this 1,500-attorney firm. During my tenure as
25 a wage and hour class action defense attorney, I have represented employers in over 80 wage and
26 hour class and/or PAGA action lawsuits, where I have served as lead defense counsel or primary
27 handling attorney and in which final settlement approval was granted, I tried the case to verdict, or I
28 obtained a denial of motion for class certification.

1 4. In July 2023, I joined Justice for Workers, P.C. (“JFW”) and began heading its
2 Complex Litigation Practice Group where I focus my practice on representing employees in wage
3 and hour class and PAGA action lawsuits.

4 5. In my current practice at JFW, I serve as the lead plaintiff’s counsel on over 100
5 pending class and/or PAGA actions. In addition to this matter, my team and I have resolved over 70
6 other class and/or PAGA actions at mediation.

7 6. The following are cases in which I have received final approval of class action
8 settlement and I was appointed as class counsel: *Darcy Nuber v. Fever Labs, Inc.*, Los Angeles
9 Superior Court, Case No. 23STCV21796, final approval of class/PAGA settlement granted on
10 March 30, 2026; *Cesar Tate v. St. Distributing Co., LLC*, Los Angeles Superior Court Case No.
11 23STCV22743, final approval of class/PAGA settlement granted on February 11, 2026; *Andrew*
12 *Carmona v. Western Holdings Group dba Los Angeles Property Management Group*, Los Angeles
13 Superior Court, Case No. 23STCV24028, final approval of class/PAGA settlement granted on
14 January 29, 2026; *Poul Bedri v. City of Hope National Medical Center*, Los Angeles Superior
15 Court, Case No. 23STCV23713, final approval of class/PAGA settlement granted on January 28,
16 2026; *Irene Eunhee Ikuta v. TAKEE International, Inc.*, Los Angeles Superior Court, Case No.
17 23STCV21120, final approval of class/PAGA settlement granted on January 22, 2026; *Amourafina*
18 *Burton v. Trove Recommerce, Inc.*, San Mateo Superior Court, Case No. 23-CIV-06108, final
19 approval of class/PAGA settlement granted on January 9, 2026; *Shayne Werber v. Teleferic*
20 *Barcelona*, Los Angeles Superior Court Case No. 23STCV25517, final approval of class/PAGA
21 settlement granted on December 17, 2025; *Linda Salazar Ayala v. Applied Membranes, Inc.*, San
22 Diego Superior Court Case No. 37-2023-00054420-CU-OE-CTL, final approval of class/PAGA
23 settlement granted on December 5, 2025; *Justin Le, et al. v. Dragonfly Tea Bar LLC, et al.*, Los
24 Angeles Superior Court Case No. 23STCV26247, final approval of class/PAGA settlement granted
25 on October 29 2025; *Ryan Lukman v. Safe Haven Security Services, LLC*, Riverside County
26 Superior Court, Case No. CVRI2400777, final approval of class/PAGA settlement granted on
27 October 1, 2025; *Amaya Nelson v. Clair Global Corp.*, Los Angeles Superior Court, Case No.
28 24STCV14597, final approval of class/PAGA settlement granted on May 22, 2025; *Jose Regalado*

1 *v. United Markets*, Marin County Superior Court Case No. CV0001169, final approval of
2 class/PAGA settlement granted on August 29, 2025; *Mushfiqur Chowdhury v. CWT US, LLC*, Los
3 Angeles Superior Court Case No. 23STCV25373, final approval of class/PAGA settlement granted
4 on August 22, 2025; *Pedro Hernandez v. Edmund A. Gray Co.*, Los Angeles Superior Court Case
5 No. 24STCV04118, final approval of class/PAGA settlement granted on August 19, 2025; *Alexis*
6 *Bartram v. Lakeshore Learning Materials, LLC*, Los Angeles Superior Court Case No.
7 23STCV21174, final approval of class/PAGA settlement granted on July 3, 2025; *Randall Bachman*
8 *v. Geodis Logistics LLC*, Riverside Superior Court, Case No. CVRI2400956, final approval of
9 class/PAGA settlement granted on June 25, 2025; *Eric Echeverria v. Fireclay Tile Inc.*, San Benito
10 Superior Court Case No. CU-23-00249, final approval of class/PAGA settlement granted on May 7,
11 2025; *Norma Borquez v. Smart Metals Recycling LLC*, Yolo Superior Court Case No. CV2024-
12 0050, final approval of class/PAGA settlement granted on April 4, 2025; *Juan Hinojos Campos v.*
13 *Applied Technology Group, Inc.*, Kern Superior Court Case No. BCV-23-103067, final approval of
14 class/PAGA settlement granted on March 11, 2025; *Dennisha Lampkin v. Sunstates Security, Inc.*,
15 Riverside Superior Court Case No. CVRI2305600, final approval of class/PAGA settlement granted
16 on December 18, 2024.

17 7. Tiffany L. Luu, Esq.’s primary practice has been employment law throughout her
18 entire legal career. Ms. Luu handled a number of wage and hour matters, including individual
19 actions and class and/or PAGA actions, on behalf of plaintiffs and defendants. Ms. Luu received her
20 J.D., cum laude, along with her Master of Dispute Resolution, from the Pepperdine University Rick
21 J. Caruso School of Law in 2020. Ms. Luu practiced as a labor and employment associate for the
22 next 3 years representing employers in wage and hour class and/or PAGA actions, including at
23 Lewis Brisbois Bisgaard & Smith LLP and Fisher & Phillips LLP. In January 2024, Ms. Luu joined
24 JFW and as an associate in the Complex Litigation Practice Group, where she focuses her practice
25 on representing employees in wage and hour class and PAGA action lawsuits.

26 8. As counsel for Plaintiff and the Class, I have been intimately involved in this case
27 since its inception and I believe that the proposed Settlement is an excellent result for the Class.

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1 **THE PARTIES AND BRIEF PROCEDURAL HISTORY**

2 9. Defendant owns and operates a drywall installation company in Sylmar, California.

3 10. On February 9, 2024, Plaintiff sent a notice letter under PAGA to the Labor and
4 Workforce Development Agency (“LWDA”) and gave notice to Defendant via certified mail. On
5 March 13, 2024, Plaintiff sent an Amended PAGA letter correcting a typographical error in
6 Defendant’s name to the LWDA and gave notice to Defendant.

7 11. On February 9, 2024, Plaintiff filed a Class Action Complaint against Defendant
8 alleging: (1) Minimum Wage Violations; (2) Overtime Wage Violations; (3) Meal Period
9 Violations; (4) Rest Period Violations; (5) Wage Statement Penalties; and (6) Unfair Competition.

10 12. On April 25, 2024, Plaintiff filed a First Amended Complaint adding a Seventh cause
11 of action for Civil Penalties under the California Private Attorneys General Act (“PAGA”).

12 **DISCOVERY, MEDIATION, SETTLEMENT, AND PRELIMINARY APPROVAL**

13 13. Prior to mediation, Plaintiff engaged in formal written discovery and thereafter, in
14 connection with mediation, the Parties engaged in extensive informal discovery. Defendant
15 produced (1) a class list identify employee numbers, positions, dates of employment, pay rate, and
16 workweeks worked during the Class Period; (2) a 20% sampling of time and payroll of Class
17 Members in PDF format selected by sorting every 5th person on an alphabetized list of class
18 members, including timesheets signed by Class Members, wage statements, and payroll register
19 reports, totaling over 5,000 pages of records; and (3) documents related to Defendant’s financial
20 condition and collective bargaining agreement

21 14. In preparation for mediation, Plaintiff’s counsel reviewed and evaluated the pre-
22 mediation production, including the class list and time and payroll records, and conducted a
23 comprehensive analysis and extrapolation to create a detailed exposure analysis for all claims at
24 issue. This discovery and analysis allowed the Parties to assess the merits and value of Plaintiff’s
25 claims, the chances of certification of Plaintiff’s claims, and Defendant’s potential defenses.

26 15. On July 7, 2025, the Parties participated in a full-day mediation with Jason Marsili,
27 Esq., a well-respected wage and hour class action mediator. During mediation, the Parties
28 vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff’s

1 claims, and the legal basis for the claims and defenses. The Parties reached a tentative class and
2 PAGA settlement at the mediation. The terms of the Settlement are in the operative Class Action
3 and PAGA Settlement Agreement (“Settlement” or “Agreement”). Enclosed as **Exhibit 1** is a true
4 and correct copy of the Parties’ fully executed Class Action and PAGA Settlement Agreement (the
5 “Agreement”).

6 16. On November 26, 2025, Plaintiff submitted the proposed Settlement to this Court
7 with Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement. On
8 December 29, 2025, this Court issued its Order Granting Preliminary Approval of Class Action
9 Settlement. Enclosed as **Exhibit 2** is a true and correct copy of the Court’s Order Granting
10 Preliminary Approval of Class Action Settlement.

11 17. Class Counsel is seeking \$12,557.20 in verified costs in this case, including
12 anticipated costs to file the Motion for Final Approval, supplemental filings, the compliance
13 paperwork, and Case Anywhere fees. Attached hereto as **Exhibit 3** is a true and correct itemized list
14 of Class Counsel’s advanced costs.

15 **THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE IN LIGHT OF THE**
16 **RISKS FACED BY PLAINTIFF**

17 18. As detailed in Plaintiff’s Motion for Preliminary Approval, there is a significant risk
18 of non-certification and/or not prevailing on the merits with respect to each of Plaintiff’s claims.
19 Defendant argued it is in financial distress and this defense applies to all claims. Prior to mediation,
20 Defendant produced its corporate tax returns for years 2020 to 2023 and Profit and Loss Statements
21 and Balance Sheets for years 2020 to 2025. The tax returns revealed that Defendant’s business was
22 not profitable and, except for one moderately profitable year, it essentially broke even or eked out a
23 small profit during these years. Defendant further provided documentary evidence that, due to
24 settlements of wage debt claims brought by the Carpenters / Contractors Cooperation Committee,
25 Inc. under Labor Code §§ 218.7 and 218.8, it was required to sign on to a collective bargaining
26 agreement with the Western States Regional Council of Carpenters in November 2024, and that the
27 conversion to a unionized workforce significantly increased its labor costs going forward. Finally,
28 Defendant’s bankruptcy counsel, Melissa Lowe of Shulman Bastian Friedman Bui & O’Dea LLP,

1 attended the mediation and advised that Defendant cannot afford a significant class settlement or
2 judgment and would need to seek bankruptcy protection if a reasonable settlement is not reached
3 between the parties. Based on Plaintiff's counsel's review of Defendant's financial records and
4 collective bargaining agreement and the representations of Ms. Lowe at mediation, Plaintiff's
5 counsel took the risk that Defendant could seek bankruptcy protection very seriously. The Gross
6 Settlement Amount agreed to at mediation is a compromised settlement that took into account this
7 risk (along with Defendant's other defenses) to ensure that a fair and equitable monetary settlement
8 can be recovered for Class Members.

9 19. Defendant also presented defenses on the merits and as to class certification.
10 Defendant disputed Plaintiff's allegations of unpaid wages and argued that Plaintiff and Class
11 Members submitted timesheets to Defendant in which they attested to the accuracy and correct of
12 said timesheets and Defendant paid Plaintiff and Class Members in accordance with their
13 timesheets. Defendant therefore argues that it properly paid Plaintiff and Class Members all wages
14 due and the unpaid wage claim is not suited for class certification.

15 20. As to Plaintiff's meal and rest period claims, Defendant argued that it scheduled
16 meal periods to start before the end of the fourth hour of work to ensure timely meal breaks and that
17 it provided 15-minute rest breaks to Plaintiff and Class Members during jobs to start sometime
18 between the second and third hour of work and sometime between the sixth and seventh hour of
19 work. As such, Defendant maintained Plaintiff's meal and rest period claims are not suited for class
20 certification since individual inquiries would be needed to assess which employees, if any, took
21 non-compliant meal or rest periods, how many meal or rest periods were non-compliant, and the
22 reasons why a particular employee did not take a meal or rest period on a particular shift. As to the
23 reimbursement claim, Defendant further argued that Plaintiff and Class Members submitted signed
24 timesheets and there was no reason to text their hours worked to their supervisor; therefore this
25 claim is not suitable for class certification

26 21. As to Plaintiff's derivative claims for statutory waiting time and wage statement
27 penalties under Labor Code §§ 203 and 226(e), Defendant denied liability for waiting time and
28 wage statements, and argued that it possessed strong, good faith defenses to Plaintiff's underlying

1 claims, thus precluding recovery of waiting time penalties that are only available for “willful”
2 failure to pay wages. Defendant further maintained that any alleged wage statement violations were
3 not “knowing and intentional,” and that Plaintiff cannot show the Class “suffer[ed] injury” due to
4 these alleged violations as required by Labor Code § 226(e) for the imposition of penalties.
5 Defendant relied on *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056, 1065, for
6 the proposition that an employer’s good-faith defenses precludes a “willfulness” finding under
7 Labor Code § 203 and a “knowing and intentional” finding under Labor Code § 226(e) for the
8 imposition of statutory penalties. Defendant also claimed that Plaintiff’s alleged exposure for
9 waiting time and wage statement penalties was grossly inflated because not every employee
10 experienced an alleged Labor Code violation.

11 22. Finally, as to Plaintiff’s claim for civil penalties under PAGA, since Plaintiff’s
12 PAGA claim is derivative of Plaintiff’s underlying wage claims, Defendant asserted the PAGA
13 claim would fail with those claims. Defendant further maintained that, given its good faith defenses,
14 this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find
15 Defendant liable for any of Plaintiff’s claims.

16 23. These considerations not only bore heavily on the Parties’ negotiations, but also
17 confirm that the Settlement is a fair and reasonable compromise in view of the risk of further
18 litigation. As detailed in Plaintiff’s Motion for Preliminary Approval, Plaintiff carefully vetted the
19 claims at issue and conducted a detailed statistical analysis of classwide data to arrive at the
20 calculated damages figures. Thus, while these risks are far from exhaustive, they demonstrate the
21 Settlement is fair, adequate, and reasonable in view of them.

22 **THE REQUESTED ATTORNEYS’ FEES ARE REASONABLE AS A PERCENTAGE OF**
23 **THE COMMON FUND CONFIRMED BY A LODESTAR “CROSS-CHECK”**

24 24. All of the class and/or PAGA settlements I have negotiated as class or PAGA
25 counsel, including the cases that have been granted preliminary or final approval in Paragraph 5,
26 *supra*, include approximately one-third of the common fund as attorney’s fees. All of the court-
27 approved class and/or PAGA settlement I have negotiated as a defense attorney include attorney’s
28 fees based on a percentage of the common fund with most percentages being between one-third.

1 25. As of the filing of this Motion, Justice for Workers, P.C. incurred a total lodestar of
2 \$99,895.00 for 129 hours worked by attorneys successfully litigating this matter, which represents a
3 1.17 lodestar multiplier. I have reviewed my firm's lodestar in this matter and believe the charges
4 are reasonable and were reasonably necessary to the conduct of the case.

5 26. The work conducted include, but are not limited to: multiple meetings with the
6 Plaintiff and review of documents provided by Plaintiff; legal research and investigation into
7 Defendants' corporate structure and relevant litigation history; legal research and investigation
8 regarding the Defendants' practices at various points in the litigation; preparation and submission of
9 Plaintiff's PAGA notice letter; preparation of the Complaints and status conferences; draft pre-
10 certification written discovery; extensive meet and confer correspondence and discussions with
11 Defendant's counsel regarding case management, mediation, and informal discovery for mediation;
12 analysis of the informal discovery production; preparation of a damages model; research and
13 preparation of Plaintiff's mediation brief and participation in mediation; drafting, negotiating, and
14 reviewing multiple drafts of the Agreement and attachments thereto; preparation, finalization, and
15 filing Motion for Preliminary Approval and Motion for Final Approval and accompanying filings;
16 preparing for and attending hearings on these Motions; overseeing the notice administration process
17 and distribution of funds; and communications with Plaintiff regarding the case.

18 27. In assessing the reasonableness of the billing rates for the attorneys at Justice for
19 Workers, P.C., I referred to the "Laffey Matrix" to set our hourly billing rates. *See*
20 <http://www.laffeymatrix.com/>. The Laffey Matrix is a fee schedule used by many courts throughout
21 the United States, including some California state courts and California Federal District Courts. The
22 Laffey Matrix is a well-established objective source that California courts have relied on in
23 assessing hourly rates since 2005. (*See In Re HPL Technologies, Inc. Securities Litigation* (N.D.
24 Cal. 2005) 366 F.Supp.2d 912, 921 (confirming use of the Laffey Matrix adjusted to account for
25 locality pay differentials); *Rubalcaba v. Albertson's, LLC* (Cal. Super. Ct. May 25, 2017) No.
26 BC528755, 2017 WL 4330597, at *4 reversed on other grounds.) My associates and I at Justice for
27 Workers, P.C. have extension experience providing class action services, both as defense attorneys
28 and now as plaintiff's attorneys. When comparing the billing rates for attorneys at my firm with the

Laffey Matrix, the rates requested by my associates and I are **below** the rate for similarly skilled and tenured legal professionals:

Name	Laffey Matrix Fee	Actual Billing Rate	Hours Billed	Lodestar
William C. Sung (14 th Year Attorney)	\$948	\$900	82.70	\$74,430.00
Tiffany L. Luu (5 th Year Attorney)	\$581	\$550	46.30	\$25,465.00
		Total	129	\$99,895.00

28. Additionally, Plaintiff's counsel estimate they will devote no less than 10 hours, although likely more time, to additional tasks, which are hours not included in the foregoing lodestar total. These additional hours will include time spent to obtain and monitor approval of the Settlement and requested awards, oversee the settlement administration process and distribution of funds, respond to inquiries, and communicate with Plaintiff regarding the case.

29. As noted, this case presented significant risk as to both class certification and prevailing on the merits. Accordingly, it is fair and reasonable to account for these risks in compensating Class Counsel. Class Counsel should also be compensated for the risks involved in undertaking this litigation and expending considerable effort, all while working on a pure contingency basis. Since undertaking representation of Plaintiff in this litigation, Class Counsel have borne all the costs of litigation since the filing of the Action without receiving any compensation to date. During this time, Plaintiff's counsel have incurred litigation costs and devoted substantial time to this litigation.

30. Plaintiff also seeks a Service Payment of \$10,000.00, and I believe this amount is reasonable. Plaintiff's requested Service Payment is in recognition of the time and effort Plaintiff expended and risks Plaintiff undertook on behalf of the Class. Throughout this case, Plaintiff has remained in regular communication with Class Counsel to discuss litigation strategy, Defendant's wage and hour policies, potential witnesses, updates on case proceedings, and settlement proceedings. Plaintiff also devoted a substantial amount of time toward reviewing and analyzing documents and records related to the claims in this case, and also the Agreement. Accordingly, I believe Plaintiff's requested Service Payment is reasonable and should be approved.

1 31. On or around April 27, 2026, I caused a copy of this Motion, the supporting
2 declarations, the Order Granting Preliminary Approval of Class Settlement, and Proposed Judgment
3 and Order Granting Final Approval of Class Action and PAGA Settlement to be uploaded to the
4 LWDA's website. Attached hereto as **Exhibit 4** is a true and correct copy of the LWDA filing
5 confirmation receipt.

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

8 Executed on April 27, 2026 at Los Angeles, California.

9
10 

11 _____
William C. Sung

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Juan Carlos Castellanos Garcia (“Plaintiff”) and Defendant MG Drywall Construction, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Juan Carlos Castellanos Garcia v. MG Drywall Construction, Inc.*, Case No. 24STCV03488 initiated on February 9, 2024 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former non-exempt employees who worked for Defendant within the State of California during the PAGA Period.
- 1.5. “Class” shall mean all current and former non-exempt employees who worked for Defendant within the State of California during the Class Period.
- 1.6. “Class Counsel” means William C. Sung and Tiffany L. Luu of Justice for Workers, P.C.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search

for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from February 9, 2020 through July 7, 2025.
- 1.13. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “Defendant” means Defendant MG Drywall Construction, Inc.
- 1.17. “Defense Counsel” means Atkinson, Andelson, Loya, Ruud & Romo.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment, which is 60 days after entry of the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” or “Final Order” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount

will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administrator's Expenses.

- 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i)¹.
- 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. "PAGA Period" means the period from February 8, 2023 through July 7, 2025.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code sections 2698, *et seq.*).
- 1.33. "PAGA Notice" means Plaintiff's February 8, 2024, March 13, 2024, and July 16, 2025 letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

¹ Plaintiff filed this lawsuit prior to July 1, 2024. As such, references to California Labor Code sections 2699, *et seq.* are to the statute prior to the July 1, 2024, amendment.

- 1.34. “PAGA Penalties” means Thirty Thousand Dollars and Zero Cents (\$30,000.00) which is the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500.00) and the 75% to LWDA (\$22,500.00) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiff” mean Juan Carlos Castellanos Garcia, the named Plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means Defendant and each of its former and present directors, officers, shareholders, owners, including Mario Malvais Garcia and Francisco Garcia, Jr., members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are remailed after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the date the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On February 9, 2024, Plaintiff commenced this Action by filing a Class Action Complaint alleging causes of action against Defendant for (1) Minimum Wage Violations; (2) Overtime Wage Violations; (3) Meal Period Violations; (4) Rest Period Violations; (5) Wage Statement Penalties; (6) Waiting Time Penalties; and (7) Unfair Competition. On April 25, 2024, Plaintiff filed a First Amended Complaint adding a cause of action for Civil Penalties Under the California Private Attorneys General Act. On July 21, 2025, Plaintiff filed the Second Amended Complaint adding causes of action for Waiting Time Penalties and Failure to Reimburse Necessary Business Expenses. The Second Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Action, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On July 7, 2025, the Parties participated in an all-day mediation presided over by Jason Marsili, Esq. which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, a twenty-five percent sampling of Class Members’ time and payroll records and relevant governing policies. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Company*. (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to

submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

- 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000.00. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.2.2. To Class Counsel: Attorneys' fees of not more than 35% of the Gross Settlement Amount which is currently estimated to be \$122,500.00 and reimbursement of litigation costs of up to \$20,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fee Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fee Payment and Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: The Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. Defendant will not oppose requests for these payments provided that they do not exceed this amount. To the extent the Administration Expenses Payment is less or the Court approves a payment of less than \$10,000.00, the

Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000.00 to be paid from the Gross Settlement Amount, with 75% (\$22,500.00) allocated to the LWDA Payment and 25% (\$7,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee PAGA Pay Periods. Based on a review of its records to date, Defendant estimates that there are 730 Class Members who collectively worked a total of 13,234 Workweeks, and 435 Aggrieved Employees who worked a total of 8,408 PAGA Pay Periods.
- 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-

Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Participating Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from any and all claims, demands, debts, liabilities, attorneys' fees, accounts, obligations, costs, expenses, liens, actions, causes of action (at law, in equity, or otherwise), rights, rights of action, rights of indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, (except for those arising as a result of a breach of any provision of this Agreement), including, but not limited to any actions relating to Plaintiff's work, or arising out of Plaintiff's

employment, with Defendant and any of the Released Parties, and/or the conclusion of that work, or employment, or any actions relating directly or indirectly to any transaction, affairs or occurrences between them from the beginning of time and up to the Effective Date of this Agreement by all parties, including, but not limited to all loss, liability, damages, claims, charges, complaints, demands, and causes of action arising directly or indirectly out of or in any way connected with the above cited causes of action in the Operative Complaint and any claims under: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination); (2) 42 U.S.C. section 1981 (discrimination); (3) 29 U.S.C. section 206(d)(i) (equal pay); (4) the Americans with Disabilities Act; (5) the California Fair Employment and Housing Act (discrimination including race, color, religion, sex, pregnancy, childbirth, or related medical conditions, gender, gender identity, gender expression, national origin, ancestry, physical disability, mental disability, age, medical condition, genetic information, marital status, military and veteran status, sexual orientation); (6) Title II of the Genetic Information Non-Disclosure Act (genetic information); (7) the California Labor Code; (8) the Wage Orders issued by the California Industrial Welfare Commission (wage and hour); (9) California Business and Professions Code section 17200 *et seq.*, (10) the Fair Labor Standards Act; (11) California Healthy Workplaces Healthy Families Act of 2014; (12) the California Family Rights Act; (13) other federal, state, or local laws, including administrative statute, regulation, ordinance, rule, policy, case law, or any common law theory of any kind; (14) any class or representative action claims; as well as (15) any claims for wrongful termination of employment, constructive discharge, breach of contract, violation of public policy or common law, invasion of privacy, retaliation, intentional interference with contract or business expectancy, whistleblowing, intentional or negligent infliction of emotional distress, battery, discrimination, harassment, and hostile and/or unsafe working conditions. Other than in connection with this Action, in the event Plaintiff becomes a party, representative, or member of any claim against the Released Parties that is based on the Released Claims, Plaintiff agrees to waive his right to any monetary award in such an action. ("Plaintiff's Release"). Nothing in this Agreement is intended to waive any of the following: (i) any rights Plaintiff may have to unemployment benefits, vested benefits, disability benefits, social security benefits, or workers' compensation benefits in accordance with applicable law; (ii) claims that may arise after the Effective Date of this Agreement; (iii) claims which cannot be released by private agreement; or (iv) any rights to enforce this Agreement. It is the intention of the Parties not to limit this release and to make this release as broad and as general as the law permits. Excluded from this Agreement is any claim or right which cannot be waived by law, including all claims arising after the Effective Date of this Agreement, the right to file a charge with or participate in an investigation conducted by an administrative agency, and the right to enforce this Agreement. Plaintiff is waiving, however, Plaintiff's right to any monetary recovery if a federal, state, or other agency pursues any claim based on the Released Claims on Plaintiff's behalf.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. Plaintiff acknowledges and agrees that it is Plaintiff's intention that this Agreement shall be effective as a full and final accord and satisfaction and settlement of, and as a bar to, each and every claim, demand, action, contract, covenant, cause of action, obligation, debt, controversy, promise, agreement, liability, cost, expense, and lien, as referred to and released above, that Plaintiff has or may have against Defendant and the Released Parties. In connection with such waiver and relinquishment, Plaintiff acknowledges that Plaintiff is aware that Plaintiff may, after the signing of this Agreement, discover facts different from or in addition to the facts that he knows or believes to be true with respect to the subject matter of this Agreement, but that it is Plaintiff's intention to (as described above) fully, finally, absolutely, and forever settle any and all such claims, disputes, and differences that do now exist or previously have existed between the Parties. In furtherance of this intention, Plaintiff intentionally and knowingly waives the benefits of section 1542 of the California Civil Code, which states:

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, arising during the Class Period, including all of the following claims for relief: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages for daily overtime worked in violations of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violations of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) waiting time penalties in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (7) failure to reimburse necessary business expenses in violation of Labor Code section 2802, (8) unfair business practices in violation of Business and Professional Code Sections 17200, et seq., and (9) civil penalties under the California Private Attorney's General Act pursuant to California Labor Code sections 2698, et seq., as well as, specifically, Labor Code sections 201-204, 218.6, 226, 226(e), 226.3, 226.7, 246, 256. 510, 512, 516, 558, 558.1, 1182.12, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2802, and 2698 et seq., and all applicable IWC Wage Orders, including IWC Wage Order 16-2001 ("Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment

insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

- 5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all causes of action and claims for civil penalties under the California Private Attorneys General Act of 2004 that were alleged or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint and PAGA Notice, arising during the PAGA Period, including claims for civil penalties ("Released PAGA Claims").

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 6.1 Defendant's Responsibilities. Within 14 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declaration, Defense Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Defendant acknowledges that the Settlement is predicated on Defendant's financial situation. Defendant agrees to comply with the Court's Checklist for Preliminary Approval of Class Action Settlement, § I.B., and to file, no later than 16 court days prior to the hearing on Plaintiff's Motion for Preliminary Approval, admissible evidence of Defendant's financial situation, including appropriate financial documents such as a balance sheet, statement of cash flows, profit and loss statement, and the like.
- 6.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class

Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (ix) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that

meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice, with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or

overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the

Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and the full names of Class Members who opted out of the settlement, the high, low, and average Individual Class Payments, and the high, low, and average Individual PAGA Payments. The Administrator will supplement its

declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 730 Class Members and 13,234 total Workweeks during the Class Period and (2) there were 435 Aggrieved Employees who worked 8,408 PAGA Pay Periods during the PAGA Period. If the total Workweeks during the Class Period is 10% higher (14,557), then Defendant shall have the option to either: (1) de-escalate the settlement so that the Class Period ends on the date that the Workweeks count totals no more than 14,557 and the PAGA Period will end on the same date as the Class Period; or (2) permit the Gross Settlement Amount to be increased proportionally by the Workweeks in excess of 10% (14,557) (the "Escalator Clause"). Within three weeks of the Parties' execution of this Agreement, Defendant shall verify the total number of Workweeks during the Class Period by either submitting a declaration to Class Counsel stating the total number of Workweeks during the Class Period or providing the number of Workweeks and/or dates of employment of Class Members to the Administrator who will calculate Workweeks. If the Escalator Clause is triggered, prior to the hearing on Preliminary Approval, Defendant shall choose to either change the end date of the Class Period or increase the Gross Settlement Amount in accordance with the Escalator Clause such that there is a date certain on the Class Period for preliminary approval.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses Payment incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than 7 days within learning this information; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code

section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

- 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to

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

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other

communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all

Parties or their representatives, and approved by the Court.

- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

JUSTICE FOR WORKERS, P.C.

William C. Sung
Tiffany L. Luu
3600 Wilshire Blvd., Ste. 1815
Los Angeles, CA 90010
T: (323) 922-2000
william@justiceforworkers.com
tluu@justiceforworkers.com

To Defendant:

Joshua Lange
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Drive, Suite 300
Cerritos, California 90703
(562) 653-3200
joshua.lange@aalrr.com

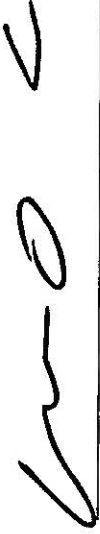
- 12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

ACCEPTED AND AGREED:

Dated: 08 / 04 / 2025, 2025


Plaintiff Juan Carlos Castellanos Garcia

Dated: 08/04/2025, 2025


MG Drywall Construction, Inc.

Mario Garcia Malvals
Printed Name

President
Title

AGREED AS TO FORM AND CONTENT:

Dated: August 3, 2025



William C. Sung
Tiffany L. Luu
JUSTICE FOR WORKERS P.C
Attorneys for Plaintiff Juan Carlos Castellanos Garcia

Dated: 6/11/, 2025



Joshua Lange
Atkinson, Andelson, Loya, Ruud & Romo
Attorney for Defendant MG Drywall Construction, Inc.

Exhibit A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Juan Carlos Castellanos Garcia v. MG Drywall Construction, Inc., Case No. 24STCV03488

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against MG Drywall Construction, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employee Juan Carlos Castellanos Garcia (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of all current and former non-exempt employees who worked for Defendant within the State of California during the Class Period of February 9, 2020 through July 7, 2025 (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former non-exempt employees who worked for Defendant within the State of California during the PAGA Period of February 8, 2023 through July 7, 2025 (“Aggrieved Employees”).

The proposed settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$INSERT (less withholding) and your Individual PAGA Payment is estimated to be \$INSERT**. The actual amount you may receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked INSERT Workweeks** during the Class Period, and **you worked INSERT PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is 	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on . You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by 	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant MG Drywall Construction, Inc. The Action accuses Defendant of violating California labor laws by failing to pay minimum and overtime wages, failing to provide legally compliant meal and rest periods; failing to pay wages due upon termination; failing to provide accurate itemized wage statements; failing to reimburse necessary business expenses; and unfair competition. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: William C. Sung and Tiffany L. Luu of Justice for Workers, P.C. (“Class Counsel”)

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

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$350,000.00 as the Gross Settlement Amount. Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement Amount not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court-Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$122,500.00 (35% of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 to Plaintiff as Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000.00 for PAGA Penalties, allocated 75% to the LWDA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to interests and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires

(the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **INSERT**, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the **INSERT** Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA Penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, arising during the Class Period, including all of the following claims for relief: (1) failure to pay wages for all hours worked at minimum wage in violation of Labor Code Sections 1194 and 1197, (2) failure to pay overtime wages for daily overtime worked in violations of Labor Code Sections 510 and 1194, (3) failure to authorize or permit meal periods in violations of Labor Code Sections 512 and 226.7, (4) failure to authorize or permit rest periods in violation of Labor Code Section 226.7, (5) waiting time penalties in violation of Labor Code sections 201-204; (6) failure to provide complete and accurate wage statements in violation of Labor Code Section 226, (7) failure to reimburse necessary business expenses in violation of Labor Code section 2802, (8) unfair business practices in violation of Business and Professional Code Sections 17200, et seq., and (9) civil penalties under the California Private Attorney's General Act pursuant to California Labor Code sections 2698, et seq., as well as, specifically, Labor Code sections 201-204, 218.6, 226, 226(e), 226.3, 226.7, 246, 256, 510, 512, 516, 558, 558.1, 1182.12, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2802, and 2698 et seq., and all applicable IWC Wage Orders, including IWC Wage Order 16-2001 ("Released Class Claims"). Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's Judgment is final, and Defendant has paid the Gross Settlement Amount and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all causes of action and claims for civil penalties under the California Private Attorneys General Act of 2004 that were alleged or reasonably could have been alleged based on the facts and legal theories contained in the Operative

Complaint and PAGA Notice, arising during the PAGA Period, including claims for civil penalties (“Released PAGA Claims”).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant’s records, are stated in the first page of this Notice. You have until **INSERT** to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Notice has the Administrator’s contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant’s calculation of Workweeks and/or PAGA Pay Periods based on Defendant’s records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant’s Counsel. The Administrator’s decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Juan Carlos Castellanos Garcia v. MG Drywall Construction, Inc.*, Case No. 24STCV03488, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must receive your request to be excluded by INSERT, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the **INSERT** Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Attorneys' Fees and Litigation Costs and Class Representative Service Payment stating (i) the amount Class Counsel is requesting for Attorneys' Fees and Litigation Costs; and (ii) the amount Plaintiff is requesting as Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website www.INSERT.com or the Court's website <https://www.lacourt.ca.gov/home>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorneys' Fees and Litigation Costs, and Class Representative Service Payment may wish to object. **The deadline for sending written objections to the Administrator is INSERT.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Juan Carlos Castellanos Garcia v. MG Drywall Construction, Inc.*, Case No. 24STCV03488 and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing **INSERT** at **INSERT** a.m./p.m. in Department 10 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://lacc.lacourt.org/>). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www._____.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at www._____.com. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.lacourt.ca.gov/home>) and entering the Case Number for the Action, Case No. 24STCV03488. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Superior Court.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

William C. Sung, Esq.
Tiffany L. Luu, Esq.
Justice for Workers, P.C.
3600 Wilshire Blvd., Ste. 1815
Los Angeles, CA 90010
Tel: (323) 922-2000
william@justiceforworkers.com
tluu@justiceforworkers.com

Administrator:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Tel.: *(800) 523-5773
Email: info@phoenixclassaction.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

Electronically Received 11/26/2025 03:42 PM

1 **JUSTICE FOR WORKERS, P.C.**

William C. Sung SB# 280792

2 E-Mail: william@justiceforworkers.com

Tiffany L. Luu SB# 335127

3 E-Mail: tluu@justiceforworkers.com

Joseph Ramli SB# 339491

4 E-Mail: jramli@justiceforworkers.com

9575 Bolsa Ave

5 Westminster, CA 92683

Tel: 323-922-2000

6 Fax: 323-922-2000

7 Attorneys for Plaintiff JUAN CARLOS CASTELLANOS GARCIA

FILED
Superior Court of California
County of Los Angeles

12/29/2025

David W. Slayton, Executive Officer / Clerk of Court

By: E. Muñoz Deputy

8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF LOS ANGELES**

12 **JUAN CARLOS CASTELLANOS GARCIA,**
an individual and on behalf of all others
13 similarly situated;

14 Plaintiff,

15 vs.

16 **MG DRYWALL CONSTRUCTION INC,** a
California Corporation; and DOES 1 through
17 50,

18 Defendants.

Case No.: 24STCV03488
(Related to Case No. 24STCV25583)

[Assigned for All Purposes to:
Hon. William F. Highberger, Dept. 10]

**~~(PROPOSED)~~ ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

DATE: December 29, 2025
TIME: 3:00 p.m.
DEPT: 10

Action Filed: February 9, 2024
Trial Date: Not Set

1 The Motion of Plaintiff Juan Carlos Castellanos Garcia (“Plaintiff”) for Preliminary
2 Approval of Class Action and PAGA Settlement came on regularly for hearing before this Court.
3 This Court, having considered the proposed Class Action and PAGA Settlement Agreement (the
4 “Agreement”) attached to the Declaration of William C. Sung filed concurrently herein; having
5 considered Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement,
6 Memorandum of Points and Authorities in support thereof, and supporting declarations filed
7 therewith; and good cause appearing, HEREBY ORDERS THE FOLLOWING:

8 1. The Court GRANTS preliminary approval of the class action settlement as set forth
9 in the Settlement and finds its terms to be within the range of reasonableness of a settlement that
10 ultimately could be granted approval by the Court at a Final Approval Hearing. For purposes of the
11 Settlement, the Court finds that the proposed Class is ascertainable and that there is a sufficiently
12 well-defined community of interest among the members of the Class in questions of law and fact.
13 Therefore, for settlement purposes only, the Court grants conditional certification of the following
14 Class:

15 All current and former non-exempt employees who worked for Defendant MG
16 Drywall Construction, Inc. within the State of California during the Class Period of
February 9, 2020 through July 7, 2025.

17 2. For purposes of the Settlement, the Court designates named Plaintiff Juan Carlos
18 Castellanos Garcia as Class Representative and William C. Sung and Tiffany L. Luu of Justice for
19 Workers, P.C. as Class Counsel.

20 3. The Court designates Phoenix Settlement Administrators as the third-party
21 Administrator for mailing notices.

22 4. The Court approves, as to form and content, the Class Notice attached as Exhibit A
23 to the Settlement.

24 5. The Court finds that the form of notice to the Class regarding the pendency of the
25 action and of the Settlement, and the methods of giving notice to Class Members, constitute the best
26 notice practicable under the circumstances, and constitute valid, due, and sufficient notice to all of
27 the Class Members. The form and method of giving notice complies fully with the requirements of
28 California Code of Civil Procedure section 382, California Civil Code section 1781, California

Rules of Court 3.766 and 3.769, the California and United States Constitutions, and other applicable law.

6. The Court further approves the procedures for the Class Members to opt out of or object to the Settlement, as set forth in the Class Notice.

7. The procedures and requirements for filing objections in connection with the Final Approval Hearing are intended to ensure the efficient administration of justice and the orderly presentation of any Class Member's objection to the Settlement in accordance with the due process rights of all members of the Class.

8. The Court directs the Administrator to mail the Class Notice to Class Members in accordance with the terms of the Settlement.

9. The Class Notice shall provide at least forty-five (45) calendar days' notice for Class Members to opt out of, or object to, the Settlement.

10. The Final Approval Hearing on the question of whether the Settlement should be finally approved as fair, reasonable, and adequate is scheduled in Department 10 of this Court, located at Spring Street Courthouse, 312 N. Spring Street, Los Angeles, CA 90012 on 5/27, 2026 at 10 a.m./~~p.m.~~

11. At the Final Approval Hearing, the Court will consider: (a) whether the Settlement should be finally approved as fair, reasonable, and adequate for the Class; (b) whether a judgment granting final approval of the Settlement should be entered; and (c) whether Plaintiff's application for reasonable attorneys' fees, reimbursement of litigation expenses, service award to Plaintiff, settlement administration costs, and payment to the Labor & Workforce Development Agency ("LWDA") for penalties under the Labor Code Private Attorneys General Act should be granted.

12. Counsel for the parties shall file memoranda, declarations, or other statements and materials in support of their request for final approval of the Settlement, attorneys' fees, litigation expenses, Plaintiff's service award, payment to the LWDA, and settlement administration costs, prior to the Final Approval Hearing according to the time limits set by the Code of Civil Procedure and the California Rules of Court.

///

13. An implementation schedule is below:

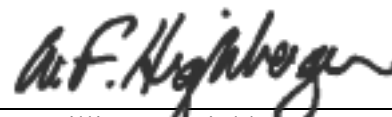
Event	Date
Defendants to provide the Administrator with the Class Data	Within 15 calendar days after entry of this Order
Administrator to mail the Class Notice	Within 14 calendar days after receiving the Class Data from Defendants
Response Deadline for Class Members	Within 45 calendar days after the Administrator mails the Class Notice (extended by 14 calendar days for any re-mailed initial Class Notices)
Last Day to File a Motion for Final Approval of Class Action and PAGA Settlement	At least 16 court days before the Final Approval Hearing:
Final Approval Hearing	<u>5/27</u> , 2026 at <u>10</u> a.m./ p.m.

14. Pending the Final Approval Hearing, all proceedings in this Action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this Order, are stayed.

15. Counsel for the parties are hereby authorized to utilize all reasonable procedures in connection with the administration of the Settlement which are not materially inconsistent with either this Order or the terms of the Settlement.

IT IS SO ORDERED.

DATED: 12/29, 2025



Hon. William F. Highberger
Judge of the Superior Court

EXHIBIT 3



Juan Carlos Castellanos Garcia v. MG Drywall Construction Inc.
Los Angeles Superior Court, Case No.: 24STCV03488

Date	Description of Cost Item	Invoice #	Amount
2/8/24	LWDA Filing Fee for Initial PAGA Notice	LWDA-CM-1010045-24	\$75.00
2/8/24	Certified Mail Cost for Mailing PAGA Letter and LC Request to Def.	9589 0710 5270 0840 5334 68	\$8.69
2/13/24	e-Filing, Initial Appearance, and Complex Filing Fees for Complaint	9064575	\$1,492.62
3/13/24	Certified Mail Cost for Mailing Amended PAGA Letter to Def.	9589 0710 5270 0409 4287 16	\$8.69
3/14/24	e-Filing Fee for Amendment to Complaint (Fictitious/Incorrect Name)	9261050	\$14.57
3/14/24	Service of Process Fee to Serve Def.	9261556	\$94.76
3/14/24	e-Filing Fee for Proof of Service by Substituted Service	9269131	\$14.57
4/25/24	e-Filing Fee for Joint Status Conference Report	9526834	\$14.57
4/25/24	e-Filing Fee for First Amended Complaint	9530612	\$14.57
7/1/24	e-Filing Fee for Joint Status Conference Report	9929883	\$14.57
7/9/24	e-Filing Fee for Notice of Ruling	9972884	\$14.57
8/1/24	Case Anywhere System Access Fee	337011	\$147.00
9/17/24	e-Filing Fee for Status Conference Statement	10409662	\$169.07
11/5/24	Case Anywhere System Access Fee	348574	\$183.00
2/6/25	Case Anywhere System Access Fee	360335	\$147.00
3/6/25	Case Anywhere System Access Fee	370496	\$49.00
4/4/25	Case Anywhere System Access Fee	382829	\$49.00
5/6/25	Case Anywhere System Access Fee	394770	\$49.00
6/11/25	e-Filing Fee for Joint Stipulation to Continue Status Conference Pending Mediation; [Proposed] Order	12184939	\$36.77
6/18/25	Case Anywhere System Access Fee	406785	\$49.00
7/1/25	Case Anywhere System Access Fee	419051	\$55.00
7/7/25	Plaintiff's Share of Mediation Fee - Marsili Mediation Inc.	110434	\$9,000.00
7/16/25	Certified Mail Cost for Mailing Second Amended PAGA Letter to Def.	9589 0710 5270 0882 5230 52	\$10.73
8/7/25	Case Anywhere System Access Fee	431609	\$49.00

8/20/25	e-Filing Fee for Second Amended Complaint	12675289	\$16.17
9/3/25	Case Anywhere System Access Fee	444048	\$55.00
10/1/25	Case Anywhere System Access Fee	456705	\$49.00
11/3/25	Case Anywhere System Access Fee	469579	\$49.00
12/1/25	e-Filing Fee for Motion for Preliminary Approval of Class Action and PAGA Settlement	13457739	\$77.97
12/1/25	Case Anywhere System Access Fee	482470	\$97.00
1/2/26	Case Anywhere System Access Fee	495394	\$49.00
2/2/26	Case Anywhere System Access Fee	508577	\$49.00
3/2/26	Case Anywhere System Access Fee	521882	\$49.00
4/1/26	Case Anywhere System Access Fee	535250	\$49.00
Estimated Future Cost	e-Filing Fee Motion for Final Approval	N/A	\$77.97
Estimated Future Cost	e-Filing Fee for Supplemental Brief and/or Amended Proposed Order	N/A	\$16.17
Estimated Future Cost	Case Anywhere System Access Fee Through Final Approval (April to May 2026)	N/A	\$146.00
Estimated Future Cost	e-Filing Fee for Declaration re Distribution	N/A	\$16.17
		TOTAL	\$12,557.20

EXHIBIT 4