

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CARLOS LOPEZ MENDOZA, individually,
and on behalf of all others similarly situated,

Plaintiff,

v.

RUBBERCRAFT CORPORATION OF
CALIFORNIA, LTD., a California corporation;
and DOES 1 through 10, inclusive,

Defendants.

Case No. 24STCV08809

Assigned for all purposes to the Hon. Jerrold
Abeles, Department 52

PAGA SETTLEMENT AGREEMENT

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

2
3
4
5
6

7

8
9

10
11
12

13
14
15

16

17

18

19
20
21

22

23
24

25

26
27
28

10. “Settled Claims” means any and all Plaintiff Released Claims and PAGA Released Claims defined in section 18 of this Agreement.

11. “Settlement Period” or "PAGA Period" means the period from April 7, 2023 up through and including the date that the Court grants approval of the Settlement Agreement.

12. “Effective Date” means the date the Court approves the Settlement Agreement and dismisses the Action with prejudice.

TERMS

13. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant will pay Two Hundred Twenty-Five Thousand Dollars (\$225,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant. The Parties agree that there are no circumstances that would require Defendant to pay any amount greater than the Gross Settlement Amount in connection with this Settlement Agreement unless the escalator clause in 14(c) herein is invoked.

14. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all Settled Claims. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

14(a) Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

14(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, Defendant will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by

Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14(c) Escalator Clause. This settlement is based on Defendant's representation that there are approximately 12,726 pay periods worked by the Aggrieved Employees from April 7, 2023 through June 5, 2025. If the number of pay periods exceeds this amount by 10% or more (i.e. by more than 1,273 pay periods) for the PAGA Period, Defendant shall pay an increased Gross Settlement Amount proportionate to the increase over the 10% threshold. For example, if the final number of pay periods is 14,635 (i.e., 15% greater than 12,726), the Gross Settlement Amount will increase by 5%.

15. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Plaintiff's Counsel for attorneys' fees of not more than Seventy-Five Thousand Dollars (\$75,000.00), plus reasonable costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action of not more than Twenty-Five Thousand Dollars (\$25,000) (together, the "Attorneys' Fees and Costs"), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

16. Settlement Administration Costs. The Parties will retain Simpluris as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Settlement Administration Costs are estimated at no more than Four Thousand Seven Hundred and Sixty-Five Dollars (\$4,765.00).

17. Service Award. For (i) the general release of all claims set forth in 18(b) below, (ii) dismissal of the Arbitration with prejudice, and (iii) his service on behalf of the LWDA and Aggrieved Employees, Defendant agrees not to oppose or impede any application or motion by Plaintiff for a service award of up to Seven Thousand Five Hundred Dollars (\$7,500) ("Service Award").

18. Release and Waiver of Settled Claims

18(a) Limited Release by Aggrieved Employees. Upon the Effective Date and subject to Defendant's full payment of the Gross Settlement Amount, Plaintiff, on behalf of himself, his heirs, executors, and assigns, the Aggrieved Employees, and the State of California, fully release and discharge Defendant and all of its past, present and future, whether direct or indirect, officers, directors, members, managers, executive-level employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers, and all persons acting on their behalf (collectively, "Released Parties") from any and all claims, rights, demands, liabilities, and causes of action of every nature and description under PAGA, which were alleged or which could have been alleged based on the facts asserted in the operative complaint in the Action and/or in Plaintiff's PAGA notice to the LWDA dated April 7, 2024 ("PAGA Released Claims") that accrued during the Settlement Period, including without limitation, claims for failure to pay all wages, including overtime, due and owing during employment, failure to provide all meal periods or premium compensation in lieu thereof, failure to authorize and permit all rest breaks or provide premium compensation in lieu thereof, failure to provide one day's rest in seven, failure to pay reporting time pay, failure to reimburse all necessary business expenses, failure to timely pay all wages during employment and due upon separation of employment, failure to issue complete and accurate wage statements, and for violations of and/or claims based on California Labor Code §§ 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1198, 2802, 2810.5, 6401, 6403, the corresponding provisions of the

1 applicable California Industrial Welfare Commission (IWC) Wage Order,
2 and all claims for attorneys' fees and costs in connection therewith. The
3 Aggrieved Employees' PAGA Released Claims include all such claims,
4 whether known or unknown by the releasing party. Thus, even if an
5 Aggrieved Employee discovers facts in addition to or different from those
6 that they now know or believe to be true with respect to the subject matter of
7 the Aggrieved Employees' PAGA Released Claims (*i.e.*, the claims brought
8 in Plaintiff's operative complaint in the Action or that could have been
9 brought based on the facts therein), those claims will remain released and
10 forever barred. Therefore, solely with respect to those PAGA Released
11 Claims, Plaintiff, the Aggrieved Employees, and the State of California
12 expressly waive and relinquish the provisions, rights and benefits of
13 California Civil Code section 1542, which provides: **A GENERAL**
14 **RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**
15 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR**
16 **SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF**
17 **EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM**
18 **OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR**
19 **HER SETTLEMENT WITH THE DEBTOR OR RELEASED**
20 **PARTY.**

21 18(b) General Release by Plaintiff. Upon the Effective Date and subject to
22 Defendant's full payment of the Gross Settlement Amount, Plaintiff shall be
23 deemed to have fully, finally, and forever released the Released Parties from
24 any and all claims, obligations, demands, actions, rights, causes of action,
25 and liabilities against the Released Parties, of whatever kind and nature,
26 character, and description, whether in law or equity, whether sounding in
27 tort, contract, federal, state and/or local law, statute, ordinance, regulation,
28 common law, or other source of law, whether known or unknown, and

1 whether anticipated or unanticipated, including unknown claims covered by
2 Civil Code Section 1542, arising through the date of his signature hereon,
3 for any type of relief, including, without limitation, claims for wages,
4 damages, unpaid costs, penalties, liquidated damages, punitive damages,
5 interest, attorneys' fees, litigation costs, restitution, or equitable relief. These
6 claims include, but are not limited to, the PAGA Released Claims, the
7 claims asserted in the Arbitration, and any other claims under any provision
8 of the California Labor Code or any applicable California IWC Wage
9 Orders, and claims under local, state, or federal discrimination statutes,
10 including, without limitation, the California Fair Employment and Housing
11 Act, California Government Code §§ 12940 *et seq.*; the Unruh Civil Rights
12 Act, California Civil Code §§ 51 *et seq.*; the California Constitution; Title
13 VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000 *et seq.*; the
14 Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; the Employee
15 Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; and all
16 of their implementing regulations and interpretive guidelines ("Plaintiff
17 Released Claims"). With respect to the Plaintiff Released Claims described
18 in this Section, Plaintiff shall be deemed to have expressly waived and
19 relinquished, to the fullest extent permitted by law, the provisions, rights,
20 and benefits he may otherwise have had pursuant to Section 1542 of the
21 California Civil Code, which provides as follows:

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

27 Notwithstanding Section 1542, Plaintiff understands and agrees that this
28 Settlement Agreement shall act as a release of all future claims that may

1 arise from Plaintiff employment or separation from employment with
2 Defendant, or any other matters that existed between Plaintiff and the
3 Released Parties up to the date of this Settlement Agreement, whether such
4 claims are currently known or unknown, and that Plaintiff intentionally
5 waives any rights he may have under the provisions of Section 1542, as well
6 as under any other statutes or common law principles of similar effect in the
7 State of California or in any other state.

8 19. Plaintiff understands and agrees that this Settlement Agreement and the general release
9 set forth in 18(b) above shall remain in full force and effect even if the full amount of Service Award
10 sought by Plaintiff is not ultimately awarded by the Court.

11 20. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
12 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
13 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
14 the Settlement Agreement (the "Order and Judgment").

15 21. Funding of the Settlement. Within sixty (60) days after entry of the Order and Judgment,
16 Defendant will deposit the Gross Settlement Amount into the QSF to be established by the Settlement
17 Administrator. Within fourteen (14) calendar days after the full funding of the Settlement, the Settlement
18 Administrator will issue payments to: (a) the Aggrieved Employees; (b) the Labor and Workforce
19 Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement Administrator,
20 and not Defendant, will issue the appropriate tax forms for all payments issued under this Settlement.

21 22. List of Aggrieved Employees. Within twenty-one (21) days after entry of the Order and
22 Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved
23 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft
24 Office Excel and will include each Aggrieved Employees' full name; last known mailing address; Social
25 Security number; and the respective number of pay periods during which each Aggrieved Employee
26 worked during the Settlement Period.

27 23. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
28 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund. Prior to mailing,

1 the Settlement Administrator will perform a search using the National Change of Address Database and
2 update and/or correct the Aggrieved Employees' mailing addresses consistent with any known or
3 identifiable address changes. Any checks returned as non-deliverable on or before the check cashing
4 deadline will be sent within ten (10) days via regular First-Class U.S. Mail, to the forwarding address
5 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
6 to determine the correct address using a skip-trace or other search using the name, address or Social
7 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
8 Checks will remain negotiable for 180 days. The value of Settlement checks uncashed more than 180
9 days after issuance shall be paid to the Office of the California State Controller – Unclaimed Property
10 Fund, to be held in the name of the respective Aggrieved Employees. Settlement payments to
11 Aggrieved Employees (i) are considered penalties and will not be subject to any local, state, or federal
12 tax withholdings and (ii) will be treated as miscellaneous income for which the Settlement Administrator
13 shall issue IRS Form 1099.

14 24. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved
15 Employees will be forever barred from pursuing against the Released Parties any and all Settled Claims
16 during the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have
17 released any individual wage and hour claims by virtue of this Settlement.

18 25. No Right to Exclusion or Objections by Aggrieved Employees. Because this settlement
19 resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private
20 Attorney General of, and for, the State of California and the LWDA, the Parties agree that no Aggrieved
21 Employee has the right to exclude himself or herself from the Settlement. Aggrieved Employees will be
22 bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether
23 he or she cashes any payment received as a result of this Settlement. The Parties also agree that no
24 Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

25 26. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
26 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
27 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
28 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit

1 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
2 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

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

7 28. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
8 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
9 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
10 and the Parties will be returned to their original respective positions and Defendant shall have no
11 obligation to pay any of the Gross Settlement Amount.

12 29. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
13 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
14 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
15 as may be appropriate under court rules or as set forth in this Settlement.

16 30. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
17 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
18 on the Parties.

19 31. Amendment or Modification. This Settlement Agreement may be amended or modified
20 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
21 Parties, and approved by the Court.

22 32. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
23 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
24 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
25 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
26 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
27 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
28 reach agreement on the form or content of any document needed to implement the Settlement, or on any

supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

34. California Law Governs. All terms of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California.

35. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and scanned copies of the signature pages, will be deemed to be one and the same instrument.

36. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

37. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount requested from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

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

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

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

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

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

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

15 44. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
16 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
17 Settlement Agreement.

18 45. Binding Agreement. The Parties warrant that they understand and have full authority to
19 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
20 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to
21 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
22 under federal or state law.

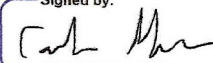
23 46. Denial of Liability. The Parties expressly recognize that the making of this agreement
24 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
25 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
26 discussions or communications, nor any materials prepared, exchanged, issued or used during the
27 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
28 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,

investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 7/23/2025

Signed by: 
E6668AB31868421...

Carlos Lopez Mendoza

RUBBERCRAFT CORPORATION OF CALIFORNIA, LTD.

Dated: 7/24/25


By: Michelle Walsh
Its: VP, Human Resources

APPROVED AS TO FORM

MOON LAW GROUP, PC

Dated: 7/24/25


Kane Moon

JEFFER MANGELS BUTLER & MITCHELL LLP

Dated: 7/24/2025


Barbra A. Arnold