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on behalf of himself, all others similarly situated,
and on behalf of the general public

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN DIEGO

ERIC SANCHEZ, on behalf of himself, all others similarly situated, and on behalf of the general public, Plaintiffs, v. J & L INSULATION, INC.; and DOES 1-100, Defendants.	Case No. 37-2024-00019764-CU-OE-CTL [Consolidated with Case No. 37-2024-00029776-CU-OE-CTL] **DECLARATION OF DAVID MARA, ESQ., IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT** Date: December 12, 2025 Time: 9:00 a.m. Dept.: C-60

I, DAVID MARA, declare the following:

1. I am President of Mara Law Firm, PC, and counsel of record for the Class in this matter. I am duly admitted to practice before all the courts of the state of California. The following facts are within my personal knowledge and, if called to testify, I could and would competently testify thereto.
2. I graduated from California Western School of Law and was admitted to practice law in California in May 2004.
3. I extensively handle employment cases which involve violations of the California Labor Code and Industrial Welfare Commission Wage Orders, such as wage and hour class actions and cases alleging violations of the Private Attorneys General Act of 2004 ("PAGA"). I have litigated over three hundred and fifty (350) class action and PAGA lawsuits over the course of nearly 20 years.
4. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.* (San Diego County Superior Court, Case No. GIC834348) which was the underlying case in the California Supreme Court's landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, in which the California Supreme Court delineated the scope of employer obligations to provide, and employee rights to receive, meal and rest periods under California law.
5. I am frequently called upon to author Amicus Curiae briefs on behalf of Consumer Attorneys of California ("CAOC"). For example, I authored the Amicus Curiae briefs on behalf of CAOC in *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, (The California Supreme Court ruling that, like meal periods, employers must relieve employees of all duty and relinquish all control to satisfactorily discharge its obligation to authorize and permit rest periods.); *Frlekin v. Apple, Inc.* (2020) 8 Cal.5th 1038 (The California Supreme Court ruling that the time spent on the employer's premises waiting for, and undergoing, required exit searches of packages, bags, or personal technology devices voluntarily brought to work is compensable hours worked within the meaning of the Wage Orders.); *Oliver v. Superior Court* (2021) California Court of Appeal Case No. H049185 (A brief asking the California

Court of Appeal for the Sixth Appellate District to determine whether mandatory drive time of personal vehicles should be considered hours worked within the meaning of the Wage Orders' suffered or permitted test.). *Davidson v. O'Reilly Auto Enterprises, LLC* (9th Cir., 2020; Docket No. 18-56188) (a brief seeking Review *En Banc* of an order denying class certification in a wage and hour matter). I am also a member of CAOC's Amicus Committee that determines the cases in which the organization will agree to provide amicus support.

6. My firm has been named as class counsel in a number of wage and hour class actions in which the Court granted the plaintiff's motion for class certification. For example, my firm has been named class counsel in: *Mario Norona v. B&G Delivery System, Inc.* (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS); *Jerald Schroeder v. YRC, Inc.; et al.* (Central District of California, Case No. 12-cv-01374-TJH); *John Martin v. Sysco Corporation, et al.* (Eastern District of California, Case No. 1:16-cv-00990-DAD-SAB); *William Smith v. Werner Enterprises, Inc. d/b/a C.L. Werner, Inc.* (District of Nebraska, Case No. 8:15-cv-287); *Thomas Perez v. City of San Diego* (San Diego County Superior Court, Case No. 37-2014-00016621-CU-OE-CTL); *Eric Mendez v. M&N Consulting, Inc. dba A-Line Messenger Service* (San Bernardino County Superior Court, Case No. CIVDS1923624); *Denson Sales v. Professional Auto Transport, Inc. et al.* (San Bernardino County Superior Court, Case No. CIVDS2010153); *Sonny Williams v. Hansen and Adkins Auto Transport, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVDS2020832); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County Superior Court, Case No. 37-2019-00063361-CU-OE-CTL); *Ashton Harden v. Mushiana Transport Inc.* (Sacramento County Superior Court, Case No. 34-2021-00301950-CU-OE-GDS); *Paul Garcia, et al. v. Haralambos Beverage Co.* (Los Angeles County Superior Court, Case No. BC660723); and *Ribaldo Olvera, et al. v. American Corporate Security, Inc.* (Los Angeles County Superior Court, Case No. 21STCV16417).

7. My firm has also been named as class counsel in numerous cases during the settlement process. Here is a non-exhaustive list of cases where my firm has been named as class counsel in cases during the settlement process: *Kenneth Cox v. 3PL Worx, et al.* (Yolo County Superior

Court, Case No. CV-18-100); *Brian Davidson v. A&B Trucking Services, Inc.* (Kern County Superior Court Case No. BCV-16-102985); *Alex Vega, et al. v. Advance Beverage Co., Inc.* (Kern County Superior Court, Case No. BCV-16-100848); *Jaime Ruiz v. Altura Centers for Health* (Kern County Superior Court, Case No. BCV-19-101577); *George Zamudio v. AmeriPride Service, Inc.* (Alameda County Superior Court, Case No. RG1809666); *Richard Hendricks v. Antonini Freight Express, Inc.* (San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-6999); *Alton Davis v. Apria Healthcare Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-CU-OE-CTL); *Alan Atchison v. Ashley Furniture Industries, Inc., et al.* (Central District of California, Case No. 17-cv-00528-JAK-SP); *Bernard Payton v. Atech Logistics, Inc.* (Sonoma County Superior Court, Case No. SCV 258595); *Ramon Jenkins v. Compass Group USA, Inc., et al.* (Yolo County Superior Court, Case No. CVCV-18-747); *Timothy Spikes, et al. v. Bear Trucking, Inc., et al.* (San Bernardino County Superior Court, Case No. CIVDS1715151); *Joshua Turpen v. Benjamin's Transfer Inc.* (Solano County Superior Court, Case No. FCS048845); *Cesar Mendoza v. Bi-Rite Food Service, Inc.* (San Mateo County Superior Court, Case No. 17CIV02044); *Terrance Bailey v. Blue Apron, LLC; et al.* (Northern District of California, Case No. 18-cv-07000-VC); *Jeffrey Weast v. California Aseptic Beverages, LLC* (San Bernardino County Superior Court, Case No. CIVDS1825256); *Michael Valentich v. Hub Construction Specialties, Inc.* (San Bernardino County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega Velazquez v. Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVDS1928062); *Adrian Diaz v. Keystone Automotive Operations, Inc.* (Riverside County Superior Court, Case No. RIC1817450); *Arturo Gonzalez v. NCI Group, Inc. dba NCI Building Systems* (Eastern District of California, Case No. 18-cv-00948-AWI-SKO); *Larry Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No. 30-2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674); *Joshua Rael v. Intercontinental Hotels Group Resources, Inc.* (Los Angeles County Superior Court, Case

No. 19STCV16010); and *Aaron Romero v. Vitro Flat Glass, LLC* (Kern County Superior Court, Case No. BCV-21-101357).

8. I have also lectured as a panelist for California Employment Lawyers Association regarding a host of wage and hour issues.

9. Defendant provides insulation installation and removal services for both residential and commercial construction projects. In order to carry out their business, Defendant employs non-exempt employees, like Plaintiff.

10. On April 18, 2024, Plaintiff sent notice to the LWDA of his intent to pursue various wage and hour claims against Defendant on behalf of similarly situated aggrieved employees. Shortly thereafter, Plaintiff filed a putative class action complaint on April 26, 2024, against Defendant in the San Diego County Superior Court, Case No. 37-2024-00019764-CU-OE-CTL, alleging causes of action for: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; (6) Failure to Pay All Wages Due at the Time of Termination of Employment; and (7) Violation of Unfair Competition Law. Plaintiff also filed a separate action alleging near identical violations of the California Labor Code and seeking civil penalties under the PAGA on June 24, 2024, against Defendant in the San Diego County Superior Court, Case No. 37-2024-00029776-CU-OE-CTL. The Parties later agreed to consolidate both cases, with 37-2024-00019764-CU-OE-CTL designated as the lead case.

11. Defendant denies the allegations of the actions in their entirety, denies any liability or wrongdoing of any kind associated with the claims alleged in these actions, and further denies that, for any purpose other than settling these actions, this matter is appropriate for class treatment. Defendant further contends that it has complied with all applicable California laws, the California Labor Code, the applicable California Wage Order(s), and the Unfair Competition Law. Defendant finally contends that, if this matter were to be litigated further, it would have strong defenses to oppose class certification and succeed on

the merits of Plaintiff's causes of action.

12. Through discovery, Plaintiff sought numerous documents and substantial amounts of data that were needed to evaluate the case. These documents included requests for time and wage records for the Class, employee handbooks, policies, and practices in place during the class period, as well as data surrounding the number of current and former employees.

13. This discovery, in conjunction with the Parties' meet and confer efforts, resulted in the production of hundreds of documents, including Defendant's employee handbook, policies, and practices, and a sampling of wage and time records for Plaintiff and Class Members. Using the time and wage records for the Class provided and the data surrounding the number of current and former employees, Plaintiff was able to establish a potential exposure model in preparation for mediation.

14. The Parties agreed to attend mediation with mediator Kevin Barnes on April 21, 2025. After a full day of mediation, the Parties were able to reach a classwide settlement. Since then, the Parties have met and conferred regarding all the terms of the settlement and finalized their agreement in the Parties' Settlement Agreement. The Parties seek final approval of the Settlement Agreement in the instant motion.

15. In addition to being able to discover the strengths and vulnerabilities associated with Plaintiff's claims, Defendant provided Plaintiff with information and data points which Plaintiff used to establish a representative damage model, as explained below.

16. Plaintiff claims that Defendant does not pay Class Members for all time worked. Specifically, Plaintiff alleges that Defendant fails to compensate Class Members for all nonproductive time worked during a shift separate from the piece-rate compensation they earn. Defendant pays Class Members nonproductive hours based on pure guesswork, resulting in the systematic underpayment of wages owed to employees. As a result, this practice shorts these employees of approximately one hour's worth of pay every shift they work. Accordingly, Defendant's ***maximum*** exposure under Plaintiff's unpaid wages claim is $172,112 (Approximately 9,835 shifts x $17.50 average hourly rate = $172,112).

17. Further, if Plaintiff were to prevail on his unpaid wages claim, he may also be entitled to

waiting time penalties. Plaintiff calculates the potential ***maximum*** exposure under the waiting time penalties cause of action as $168,000 (40 former employees x 30 days x 8 hours x $17.50 = $168,000).

18. Plaintiff had to discount the maximum exposure of these claims to account for the viability of Defendant's counter arguments. As discussed above, Defendant disputes these allegations and argues that its piece rate compensation plan does not violate California law, as it lawfully compensates Class Members for nonproductive work pursuant to Labor Code § 226.2. Further, as Plaintiff's claims for waiting time penalties are derivative of his wage claims, Defendant argues that they would not be liable for these either. Should the Court agree with Defendant's arguments, Plaintiff and Class Members would be entitled to no recovery under these causes of action.

19. Plaintiff argues that Defendant fails to provide Class Members with lawful meal and rest periods. As Class Members earn less compensation and are essentially punished for stopping work to take breaks, Plaintiff alleges that Defendant has unlawfully incentivized Class Members to work through their meal and rest periods. Accordingly, Defendant's ***maximum*** exposure under Plaintiff's meal and rest period claims is $344,225 (Approximately 9,835 shifts x $17.50 average hourly rate x 2 penalties under Labor Code § 226.7 = $344,225).

20. Plaintiff had to discount the maximum exposure of these claims to account for the viability of Defendant's counter arguments. Defendant claims it adequately informs Class Members of their rights regarding meal and rest periods under California law and points out that an employer is not obligated to police employees to ensure they do not work during their breaks. With this, and the fact that it would be able to provide evidence that Class Members did, in fact, take complaint meal and rest periods, Defendant would defeat these claims at certification and on the merits.

21. Further, Plaintiff claims that Defendant fails to provide Class Members with lawful wage statements containing all the requisite information under Labor Code § 226. As a result, it is impossible for to determine if Class Members are being paid correctly from the wage

statement alone. Therefore, the ***maximum potential exposure*** under this theory of liability would be $40,000 (10 current employees x $4000 maximum statutory penalty = $40,000).

22. Plaintiff's wage statement claim is also subject to risks of obtaining certification and on the merits. Defendant argues its wage statements are compliant with California law and that Class Members have no issues determining if their pay is accurate. Additionally, Defendant claims that testimony from every Class Member would be necessary to determine if any given wage statement was unlawful, rendering this claim entirely unsuitable for class certification.

23. Plaintiff alleges that Defendant has four (4) core violations –failure to pay all time worked, failure to provide meal periods, failure to provide rest periods, and failure to provide accurate wage statements – of the Labor Code sections which give rise to PAGA penalties. The statute of limitations for PAGA violations goes back one year. As there were approximately 804 pay periods in the statutory period at the time of mediation, Plaintiff calculated Defendant's potential maximum exposure under PAGA as follows:

$100 x 4 PAGA violations x 804 pay periods = $321,600

24. <u>Not taking into account any of their defenses or arguments</u>, Defendant's total exposure if Plaintiff was successful in his core claims would be approximately $556,337 [$344,225 (meal and rest period exposure) $172,112 (unpaid wages exposure) + $40,000 (wage statement exposure) = $556,337]. If Plaintiff is successful in his unpaid wage claims, he may also be entitled to damages for waiting time penalties in the amount of $172,112. If all of Plaintiff's claims are successful, he may also be entitled to PAGA penalties in the maximum amount of $321,600.

25. In light of the risks Plaintiff's claims faced, the settlement amount of $150,000 – with an average and high payout to Settlement Class Members of $1,332.60 and $9,470.30, respectively – is a reasonable and fair settlement amount.

26. The proposed settlement is the product of serious, informed, non-collusive negotiations, has no obvious defects, does not improperly grant preferential treatment to the class representative or segments of the class and falls within the range of fair and reasonable

settlements. I believe that this non-reversionary settlement is in the best interests of the class as fair, reasonable, and adequate. Therefore, I recommend approval of the settlement.

27. A true and correct copy of the Joint Stipulation and Settlement Agreement is attached hereto as **Exhibit 1**.

28. A true and correct copy of the filing receipt from Plaintiff's upload of his final approval motion and supporting documents to the LWDA's website is attached as **Exhibit 2**.

29. A true and correct copy of the confirmation that the upload of Plaintiff's final approval motion was received by the LWDA is attached as **Exhibit 3**.

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

Dated: November 18, 2025

MARA LAW FIRM, PC

David Mara, Esq.
Attorneys for Plaintiff ERIC SANCHEZ, on behalf of himself and all others similarly situated, and on behalf of the general public

Exhibit 1

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiff Eric Sanchez (hereinafter "Plaintiff") on behalf of himself and the Class and Defendant J & L Insulation, Inc. (hereinafter "Defendant") (collectively Plaintiff and Defendant are referred to in this Agreement as the "Parties"). This agreement is intended to settle the cases entitled *Eric Sanchez v. J & L Insulation, Inc.*, San Diego County Superior Court, Case No. 37-2024-00019764-CU-OE-CTL (the "Class Action") and *Eric Sanchez v. J & L Insulation, Inc.*, San Diego County Superior Court, Case No. 37-2024-00029776-CU-OE-CTL (the "PAGA Action") (collectively the "Actions").

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Administration Costs**: The costs incurred by the Settlement Administrator, Apex Class Action LLC, to administer this Settlement, which shall not exceed $5,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.

2. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled "Joint Stipulation and Settlement Agreement."

3. **Aggrieved Employees**: All current or former non-exempt employees who worked for Defendant in the State of California from April 20, 2023, through the earlier of June 20, 2025, or the date of preliminary approval of the Parties' settlement agreement by the Court.

4. **Attorneys Fee Award**: The amount of attorneys' fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed one-third of the Gross Settlement Amount. One-third of the Gross Settlement Amount is currently $50,000. The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

5. **Class**: All current or former non-exempt employees who worked for Defendant in the State of California from April 26, 2020, through the earlier of June 20, 2025, or the date of preliminary approval of the Parties' settlement agreement by the Court.

6. **<u>Class Counsel</u>**: David Mara and Matthew Crawford of Mara Law Firm, PC.

7. **<u>Class Data</u>**: The electronic database Defendant shall deliver to the Settlement Administrator which will list the following information for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; and (4) the total number of weeks during which the Class Member performed work during the Class Period. The Class Data shall be based on Defendant's payroll, personnel, and other business records.

8. **<u>Class Member</u>**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.

9. **<u>Class Notices</u>**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.

10. **<u>Class Period</u>**: April 26, 2020, through the earlier of June 20, 2025, or the date of preliminary approval of the Parties' settlement agreement by the Court.

11. **<u>Class Representative or Plaintiff:</u>** Eric Sanchez.

12. **<u>Class Representative Enhancement Payment</u>**: The amount the Court awards to Plaintiff, which will not exceed $10,000. This payment shall be paid from the Gross Settlement Amount. This payment is being offered in consideration for the additional individual wage and hour claims Plaintiff possesses, and for executing a general release of claims against Defendant, a release that is broader than any Participating Class Member will provide in consideration for a settlement share. This payment is also offered in consideration for the Plaintiff's actions in conferring a benefit upon the State of California and the Class, and the time and effort Plaintiff put into pursuing the litigation. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

13. **<u>Cost Award</u>**: The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed $13,000. The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.

14. **<u>Counsel for Defendant:</u>** Megan Walker and Kathryn Evans of Fisher & Phillips LLP.

15. **<u>Court</u>**: Superior Court of California for the County of San Diego.

16. **Defendant**: J & L Insulation, Inc.

17. **Disbursement of the Settlement:** Within ten (10) business days after the Settlement Administrator's receipt of the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (5) the Administration Costs, as approved by the Court; and (6) the LWDA Payment to the LWDA.

18. **Effective Final Settlement Date:** The effective date of this Settlement will be when the final approval of the settlement can no longer be appealed, or, if there are no objectors and no plaintiffs in intervention at the time the court grants final approval of the settlement, the date the court enters judgment granting final approval of the settlement.

19. **Employer-Side Settlement Payment Taxes**: Defendant's portion of payroll taxes that shall be owed under this Agreement based upon the designation of certain parts of the Settlement Payment as wages (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendant will pay its portion of payroll taxes separate and apart from the Gross Settlement Amount.

20. **Final Judgment or Final Approval**: The final order entered by the Court approving this Agreement.

21. **Funding of Settlement:** Defendant shall wire or otherwise provide to the Settlement Administrator the Gross Settlement Amount no later than ten (10) business days of the Effective Final Settlement Date.

22. **Gross Settlement Amount or GSA**: The total value of the Settlement is a non-reversionary $150,000. This is the gross amount Defendant can be required to pay under this Settlement Agreement, with the exceptions of its obligation to pay Employer-Side Settlement Payment Taxes and the Escalator Provision. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Aggrieved Employees, as approved by the Court. Defendant's portion of payroll taxes that shall be owed under this Agreement based upon the designation of certain parts of the Settlement Payment as wages will be paid outside of and in addition to the Gross Settlement Amount. No

portion of the Gross Settlement Amount will revert to Defendant for any reason.

23. **<u>Individual Class Settlement Share(s)</u>**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Class Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Class Settlement Share automatically, without the return of a claim form provided the Participating Class Member does not submit a valid Opt-Out.

24. **<u>Individual PAGA Settlement Share(s)</u>**: The amount payable to each Aggrieved Employee under the terms of this Settlement Agreement. Aggrieved Employees are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Also, even if an Aggrieved Employee requests exclusion from the Class Settlement as described in this Agreement, the Aggrieved Employee will receive an Individual PAGA Settlement Share. Therefore, Aggrieved Employees will receive an Individual PAGA Settlement Share automatically, without the return of a claim form and regardless of whether they request to be excluded from the Class Settlement.

25. **<u>LWDA</u>**: California Labor and Workforce Development Agency ("LWDA"). The LWDA is empowered to enforce the Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*, and has delegated such authority to Plaintiff with regard to the claim in this Action through the procedural mechanisms provided for by statute.

26. **<u>LWDA Payment</u>**: Refers to the Seventy-five percent (75%) of the PAGA Payment of $2,000 that is to be paid to the LWDA as described in this Settlement.

27. **<u>Net PAGA Settlement Amount or NPSA</u>:** The total amount of money for payout to Aggrieved Employees, which is the PAGA Payment less the LWDA Payment.

28. **<u>Net Settlement Amount or NSA</u>**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorneys Fee Award, Cost Award, Class Representative Enhancement Payment, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Participating Class Members. The payment of employee-side taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the share for the portion of the settlement shares allocated as wages.

29. **<u>PAGA</u>**: The California Labor Code Private Attorneys General Act of 2004

(Cal. Labor Code §§ 2698 *et seq.*).

30. **PAGA Data**: The electronic database Defendant shall deliver to the Settlement Administrator which will list the following information for each Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; and (4) the total number of pay periods during which the Aggrieved Employee performed work during the PAGA Period. The PAGA Data shall be based on Defendant's payroll, personnel, and other business records.

31. **PAGA Payment**: Refers to the $2,000 the Parties have agreed to settle the PAGA claims. 75% of this amount, or $1,500, shall be paid to the LWDA. The remaining 25% of the $2,000, or $500, shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.

32. **PAGA Period**: April 20, 2023, through the earlier of June 20, 2025, or the date of preliminary approval of the Parties' settlement agreement by the Court.

33. **PAGA Settlement**: Refers to the settlement of claims included in the Released PAGA Claims, for which Aggrieved Employees will receive an Individual PAGA Settlement Share payment.

34. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.

35. **Parties**: Plaintiff Eric Sanchez, as an individual and as Class Representative, and Defendant J & L Insulation, Inc.

36. **Preliminary Approval or Preliminary Approval Order**: The Court's order preliminarily approving the Class Settlement.

37. **Released Class Claims**: All claims alleged or that could have been alleged based on the facts and circumstances alleged in the Class Action Complaint, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 218, 218.5, 222, 223, 224, 226, 226.2, 226.3, 226.7, 246, 248.2, 248.6, 510, 512, 515, 558, 1194, 1194.2, 1197; IWC Wage Order No. 4-2001 related to the alleged Labor Code violations; California Code of Regulations, Title 8, sections 11110 and 3395; and California Business and Professions Code sections 17200-17208; and any claim for attorneys' fees and costs related to the above-referenced claims. All Released Class Claims are limited to the Class Period.

38. **Released PAGA Claims**: All claims asserted in the PAGA Action Complaint and Plaintiff's PAGA notice to the LWDA or that could have been alleged based on the facts and circumstances alleged in the PAGA Action Complaint and Plaintiff's PAGA notice to the LWDA, including but not limited to claims

under California Labor Code sections 201, 202, 203, 204, 222, 223, 224, 226, 226.2, 226.3, 226.7, 246, 510, 512, 515, 558, 1194, 1197, 1197.1, 1199, 2698, 2699; IWC Wage Order No. 4-2001 related to the alleged Labor Code violations; and California Code of Regulations section 11070. All Released PAGA Claims are limited to the PAGA Period.

39. **Released Parties**: Defendant and its past, present and/or future, direct and/or indirect, officers, directors, employees, representatives, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, shareholders, joint ventures, predecessors, successors, and/or assigns.

40. **Response Deadline**: Thirty (30) calendar days from the initial mailing of the Class Notices.

41. **Settlement Administration**: The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Settlement Administrator will mail the Class Notices by first class U.S. mail to all Class Members at the address resulting from the search of the National Change of Address Database. The Class Notices will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

42. **Settlement Administrator**: The third party administrator agreed upon by Parties to administer this Settlement is Apex Class Action LLC ("Apex").

II. RECITALS

43. Plaintiff filed a class action complaint on April 26, 2024, in Superior Court of California, County of San Diego (37-2024-00019764-CU-OE-CTL). The Class Action alleges the following causes of action against Defendant: 1) Failure to Pay All Straight Time Wages; 2) Failure to Pay Overtime Wages; 3) Failure to Provide Meal Periods; 4) Failure to Authorize and Permit Rest Periods; 5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; 6) Failure to Pay all Wages Due at the Time of Termination of Employment; and 7) Violation of Unfair Competition Law, on behalf of Plaintiff and those similarly situated.

44. Plaintiff submitted his Notice of Labor Code Violations to the LWDA on April 18, 2024. Thereafter, a PAGA representative action complaint against Defendant was filed by Plaintiff (as an agent of the LWDA) in the Superior Court of California, County of San Diego on June 24, 2024 (Case No. 37-2024-00029776-CU-OE-CTL). The PAGA Action sought civil penalties under the PAGA in relation to the following alleged violations suffered by allegedly similar aggrieved employees: 1) Failure to Pay All Straight, Regular Rate Wages for All Work Performed; 2) Failure to Pay All Overtime Wages; 3) Failure to Provide Meal Periods; 4) Failure to Provide Rest Periods; 5) Failure to Pay Wages Due at Termination and During Employment; 6) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statements; and 7) Failure to Employees Two Times Per Month.

45. On or around August 6, 2024, the Court ordered the Class Action and PAGA Action to be deemed related.

46. The parties met and conferred regarding the cases on multiple occasions and then agreed to engage in settlement negotiations. Prior to these negotiations, Defendant provided class-wide data, documents, and information permitting Plaintiff and his lawyers to fully evaluate class-wide exposure.

47. On April 21, 2025, the parties participated in a full-day mediation with respected wage and hour mediator, Kevin Barnes, which ultimately resulted in the settlement that is reflected in this Agreement.

48. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

49. **Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.

50. **Defendant's Denial of Wrongdoing.** Defendant generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than settlement, the Action is not appropriate for class or representative treatment. Defendant asserts a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.

51. **Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiffs, Participating Class Members, and Class Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiff and Participating Class Members have resolved and are forever barred from re-litigating the claims released under this Agreement.

III. <u>SETTLEMENT TERMS AND CONDITIONS</u>

52. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendant is obligated to pay under this Settlement Agreement is $150,000. The Gross Settlement Amount includes, but is not limited to: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendant's portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

A. **Escalator Provision**: This Settlement is based on Defendant's representation that the Class Members will have worked a total of approximately 1,967 workweeks during the Class Period. Should the number of workweeks worked during the Class Period exceed more than 10% of the amount represented (*i.e.* by more than 197 workweeks, or in other words, if the workweeks worked by Class Members during the Class Period exceeds 2,164 workweeks), Defendant, at its option, can either choose to: (1) cut off the Class Period and PAGA Period as of the date on which the number of workweeks reaches 2,164; or (2) increase the Gross Settlement Amount on a proportional basis equal to the percentage increase in number of workweeks worked by the Class Members above the 10% amount (*i.e.* if there was a 11% increase in the number of workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 1%).

53. **Class Certification**. Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.

54. **Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with, the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit. If the Settlement does not become effective, Defendant reserve the right to contest any issues relating to class certification and liability.

55. **Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff Eric Sanchez shall be appointed as representative for the Class.

56. **Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.

57. **Individual Class Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Class Settlement Share from the Net Settlement Amount to each Participating Class Member.

A. Calculation.

i. **Individual Class Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked for Defendant, based on the Class Data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members during the Class Period based on the same Class Data, which is then multiplied by the Net Settlement Amount. One day worked in a given week for Defendant will be credited as a work week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the amount of weeks that he or she worked for Defendant in

California.

B. Tax Withholdings. Each Class Member's Individual Settlement Share will be apportioned as follows: one-third wages, one-third interest, and one-third penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be paid from each Class Member's Individual Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

58. Individual PAGA Settlement Share. Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual PAGA Settlement Share from the Net PAGA Settlement Amount to each Aggrieved Employee.

A. Calculation.

i. **Individual PAGA Settlement Share Calculation.** Each Aggrieved Employee will receive a proportionate share of the Net PAGA Settlement Amount that is equal to (i) the number of pay periods he or she worked for Defendant during the PAGA Period based on the PAGA Data provided by Defendant, divided by (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period based on the same PAGA data, which is then multiplied by the Net PAGA Settlement Amount. One day worked for Defendant in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Aggrieved Employee's Individual PAGA Settlement Share ties directly to the amount of pay periods that he or she worked during the PAGA Period for Defendant in California.

B. Tax Withholdings. Each Aggrieved Employee's Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

59. Constituents of Gross Settlement Amount Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

A. **To the Named Plaintiff:** In addition to his Individual Settlement Share, and subject to the Court's approval, the named Plaintiff, Eric Sanchez, will receive up to $10,000 in consideration for the additional individual wage and hour claims Plaintiff possesses, and for providing Defendant a General Release, a release that is broader than the claims released by Participating Class Members. Defendant shall not oppose this request. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An IRS Form 1099 will be issued to Plaintiff with respect to his Class Representative Enhancement Payment.

B. **To Class Counsel.** At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys Fee Award not to exceed one-third of the GSA (which equates to $50,000) and a Cost Award not to exceed $13,000. Defendant shall not oppose this request. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. The Settlement Administrator may, at the request of Class Counsel, purchase an annuity to utilize U.S. treasuries and bonds or other attorneys fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

C. **To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendant's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.

D. **To the Settlement Administrator.** The Settlement Administrator – Apex – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed $5,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

E. **To the LWDA and Aggrieved Employees.** The Settlement Administrator will pay $1,500 of the PAGA Payment to the LWDA. This is 75% of the $2,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the PAGA Payment (which equates to $500) shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees

F. **To Participating Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members and Aggrieved Employees shall be made from the Gross Settlement Amount.

60. **Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Apex shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to Class Members and Aggrieved Employees; performing skip traces and remailing notices to Class Members and Aggrieved Employees; calling Class Members and Aggrieved Employees with undeliverable notices to obtain accurate addresses; keeping track of any objections or requests for exclusion from Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's and Aggrieved Employee's Individual Settlement Share; maintaining a website which will include settlement documents; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing and remailing Individual Settlement Shares to Participating Class Members and Aggrieved Employees; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorneys Fee Award and Cost Award to Class Counsel; printing and providing Participating Class Members, Aggrieved Employees, and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the State of California unclaimed property fund in the name of the Class Member; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Apex or otherwise have a relationship with Apex that could create a conflict of interest.

61. **Procedure for Approving Settlement.**

A. **Cooperation.**

i. All Parties and their counsel shall support the Settlement and take such steps as are reasonably necessary to effectuate the Settlement.

B. **Motion for Preliminary Approval and Conditional Certification.**

i. Plaintiff will move for an order: (1) conditionally certifying the Class for settlement purposes only; (2) granting Preliminary Approval of the Settlement; (3) setting a date for the Final Approval hearing; and (4) approving the Class Notice.

ii. At the same time that Plaintiff files his Motion for Preliminary Approval, Plaintiff shall send a copy of the Agreement to the LWDA pursuant to the 2016 amendments to PAGA.

iii. At the Preliminary Approval hearing, Plaintiff will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.

iv. **Effect of Denial of Preliminary Approval.** Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiff's or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement

Payment.

C. **Notice to Class Members and Aggrieved Employees.** After the Court enters its Preliminary Approval Order, every Class Member and Aggrieved Employee will be provided with the Class Notice in accordance with the following procedure:

i. **Delivery of Class and PAGA Data.** Within ten (10) business days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list the Class and PAGA Data. If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Class Data and PAGA Data shall be based on Defendant's payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class and PAGA Data and all information contained within the Class and PAGA Data as private and confidential.

ii. **Preparation of Class Notices.** Based on the information in the Class and PAGA Data and the formulae set forth in Paragraph 57(A)(i) and 58(A)(i), above, the Settlement Administrator shall promptly calculate the estimated Individual Settlement Share and Individual PAGA Settlement Share for every Class Member and Aggrieved Employee, to be included in the individualized Class Notices to be sent to that Class Member and/or Aggrieved Employee, and shall prepare and email a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) days before mailing the Class Notices to Class Members and Aggrieved Employees. The Class Notices will inform each Class Member of his/her right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.

iii. **Mailing of Class Notices.** Within ten (10) business days after receipt of the Class and PAGA Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice to all identified Class Members and Aggrieved Employees using the mailing address information provided by Defendant and the results of the search of the National Change of Address Database on all Class Members and Aggrieved Employees.

iv. **Returned Notices.** If a Class Notice is returned because of an incorrect address, within five (5) business days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found.

v. **Weekly Status Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.

vi. **Settlement Administrator's Declaration.** No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

D. **Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

b. **Notice of Intent to Appear.** Objecting Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. Objecting Class Members are permitted to appear regardless of whether they submitted a written objection.

E. **Request for Exclusion from the Settlement ("Opt-Out").** The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline.

i. **Effect of "Opt-Out."** Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share or any benefit of this Settlement. If the Class Member is also an Aggrieved Employee as defined in this Agreement, however, he or she will still receive an Individual PAGA Settlement Share payment as approved by the Court. Aggrieved Employees have no right to opt-out of the PAGA Settlement.

ii. **Confirmation of Authenticity.** If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Class Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.

iii. **Report.** No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

F. **Class Member and Aggrieved Employee Disputes.** If a Class Member or Aggrieved Employee who receives a Class Notice wishes to dispute the number of work weeks listed on the Class Notice, the Class Member or Aggrieved Employee may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member or Aggrieved Employee contends he or she worked for Defendant during the Class or PAGA Period. The Settlement Administrator shall then provide the documentation provided by the Class Member or Aggrieved Employee to Defendant. Defendant shall review its records, the documentation provided by the Class Member or Aggrieved Employee, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendant's records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member or Aggrieved Employee and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

G. **No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

H. **Motion for Final Approval.**

i. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1)

the Attorneys Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement Payment; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Class and PAGA Claims of the Participating Class Members and LWDA.

ii. Denial or Appeal of Final Approval. If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement Payment, Attorneys Fee Award, Cost Award, and Administration Costs award will not constitute a material modification to the Settlement within the meaning of this paragraph.

iii. Proposed Order and Judgment. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.

I. Waiver of Right to Appeal. Provided that the judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

J. Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

K. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

i. **Funding the Settlement:** Defendant shall wire or otherwise provide to the Settlement Administrator the Gross Settlement Amount no later than ten (10) business days of the Effective Final Settlement Date.

ii. **Disbursement**: Within ten (10) business days after the deadline for Defendant to provide the GSA to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to be Paid to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Enhancement Payment paid to the Class Representative, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the LWDA Payment to the LWDA; and (7) Defendant's portion of payroll taxes as the Class Members' current or former employer.

iii. **Qualified Settlement Fund or QSF**: The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

L. **Settlement Administrator's Final Report.** Within ten (10) business days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

M. **Uncashed Checks.** Participating Class Members and Aggrieved Employees must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

i. **Reminder Postcard.** If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.

ii. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed shall escheat to the State of California Controller's Office under the Unclaimed Property Statutes in the name of the Class Member.

N. **Defendant's Legal Fees.** Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

62. **Release of Class Claims.** As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid request for exclusion release the Released Parties from the Released Class Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Class Claims.

63. **Release of PAGA Claims.** As of the Effective Final Settlement Date, Aggrieved Employees will release the Released Parties from the Released PAGA Claims. Aggrieved Employees agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released PAGA Claims. Aggrieved Employees may not opt out of the PAGA Settlement.

64. **Plaintiff's Release of Claims and General Release.** As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payment to the named Plaintiff in an amount not to exceed $10,000, Plaintiff Eric Sanchez shall give the following general release of claims for himself and his respective spouse, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to his employment with Defendant or the remuneration for, or termination of, such employment. Plaintiff's Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

This release excludes any release of any claims not permitted to be released by law.

65. Miscellaneous Terms

A. **No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

B. **No Effect on Employee Benefits.** The Class Representative Enhancement Payment and/or Individual Settlement Shares paid to Plaintiff and

Participating Class Members and/or Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members or Aggrieved Employees. The Parties agree that any Class Representative Enhancement Payment and/or Individual Settlement Share paid to Plaintiff or the Participating Class Members and/or Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiff's or Participating Class Members' and/or Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Enhancement Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

C. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

D. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendant's Counsel 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 under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

E. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

F. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

G. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

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

I. **No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.

J. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

K. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

L. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members and Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members and Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member or Aggrieved Employee, such Class Member assumes all responsibility for the payment of such taxes.

M. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

N. **Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

O. **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.

P. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 7/22/2025 **ERIC SANCHEZ**

Signed by:

F178B4F11D4146D...

Dated: ______________ **J & L INSULATION, INC.**

____

Name: Keith Keilman
Title: Owner

Dated: July 22, 2025

MARA LAW FIRM, PC

____
David Mara, Esq.
Matthew Crawford, Esq.
Attorneys for Plaintiff, on behalf of himself, and the Settlement Class

Dated: _____________

FISHER & PHILLIPS LLP

____
Megan Walker, Esq.
Kathryn Evans, Esq.
Attorneys for Defendant

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IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: ______________ **ERIC SANCHEZ**

____

Dated: 05/08/2025 **J & L INSULATION, INC.**

Keith Keilman
Name: Keith Keilman
Title: Owner

Dated: _____________ **MARA LAW FIRM, PC**

____
David Mara, Esq.
Matthew Crawford, Esq.
Attorneys for Plaintiff, on behalf of himself, and the Settlement Class

Dated: _August 5, 2025___ **FISHER & PHILLIPS LLP**

____
Philip Simpler, Esq.
Kathryn Evans, Esq.
Attorneys for Defendant

Signature: Keith Keilman
Keith Keilman (Aug 5, 2025 10:06:46 PDT)
Email: keith@jandlinsulation.com

CALIFORNIA SUPERIOR COURT, COUNTY OF SAN DIEGO

Eric Sanchez, on behalf of himself, all others similarly situated, and on behalf of the general public, Plaintiff, vs. J & L Insulation, Inc., Defendant

Case Nos. 37-2024-00019764-CU-OE-CTL and 37-2024-00029776-CU-OE-CTL

NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected by whether you act or don't act.

TO: All current or former non-exempt employees who worked for Defendant in the State of California from April 26, 2020, through June 20, 2025.

The California Superior Court, County of San Diego has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned actions ("the Lawsuits"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

> All current or former non-exempt employees who worked for Defendant in the State of California from April 26, 2020, through June 20, 2025.

The purpose of this Notice is to provide a brief description of the claims alleged in the Lawsuits, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

1. Why Have I Received This Notice?

J & L Insulation, Inc. (hereinafter referred to as "Defendant") records indicate that you may be a Class Member. The settlement will resolve all Class Members' Released Claims, as described in Section No. 9 below, from April

26, 2020, through June 20, 2025 (the "Class Period").

A Preliminary Approval Hearing was held on September 12, 2025, in the California Superior Court, County of San Diego. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [final approval date] at [time], before Honorable Matthew C. Braner in Department C-60, located at 330 West Broadway, San Diego, California 92101.

2. *What Is This Case About?*

A class action complaint against Defendant was filed in the San Diego County Superior Court on April 26, 2024 (Case No. 37-2024-00019764-CU-OE-CTL). The complaint alleged the following causes of action against Defendant: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; (6) Failure to Pay all Wages Due at the Time of Termination; and (7) Violation of Unfair Competition Law, on behalf of Class Members.

A PAGA (Private Attorneys General Act of 2004) representative action complaint against Defendant was filed in the San Diego County Superior Court on June 24, 2024 (Case No. 37-2024-00029776-CU-OE-CTL). The complaint sought civil penalties under the PAGA in relation to the following alleged violations suffered by allegedly similar aggrieved employees: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay Overtime; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Pay all Wages Due at the Time of Termination; (6) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions; and (7) Failure to Pay All Wages Twice Per Month.

The two cases (Case Nos. 37-2024-00019764-CU-OE-CTL and Case No. 37-2024-00029776-CU-OE-CTL) have been consolidated, with 37-2024-00019764-CU-OE-CTL designated as the lead case.

The Court has not made any determination as to whether the claims advanced by the Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Defendant expressly denies that they did anything wrong or that they violated the law and further deny any liability whatsoever to Plaintiff or to the Class.

3. *Am I A Class Member? Am I An Aggrieved Employee?*

You are a Class Member if you worked for Defendant in the State of California as a non-exempt employee at any time from April 26, 2020, through June 20, 2025.

If you worked for Defendant in the State of California as a Class Member from April 20, 2023, through June 20, 2025, you are also an Aggrieved Employee under the settlement.

4. *How Does This Class Action Settlement Work?*

Plaintiff Eric Sanchez brings these actions behalf of himself and all other similarly situated employees who were employed by Defendant as Class Members in California at any time during the Class Period. Plaintiff and these other current and former employees comprise a "Class." The settlement of these Lawsuits resolves the Released Class Claims of all Class Members, as defined in the Settlement Agreement and Final Judgment, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Class Counsel believe the settlement is fair and reasonable. The Court must also review the terms of the settlement and determine if it is fair and reasonable to the Class. The Court file has the settlement documents, which explain the settlement in greater detail. If you would like copies of the settlement documents, you can obtain them for a nominal fee at the San Diego County Superior Court, located at 330 West Broadway, San Diego, California 92101, and/or by visiting the San Diego Superior Court website at https://odyroa.sdcourt.ca.gov/. After you agree to the terms, select 2024 in the second box under the "V3 Format," enter 00019764 in the third box under the "V3 Format," and then press the "Search" button. You may also contact Plaintiff's counsel, whose contact information is below, and they will provide you with a copy free of charge.

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff and the Class	Attorneys for Defendant
MARA LAW FIRM, PC David Mara Matthew Crawford 2650 Camino Del Rio North, Suite 302 San Diego, California 92108 Telephone: (619) 234-2833 Facsimile: (619) 234-4048	**FISHER & PHILLIPS LLP** Phillip Simpler Kathryn Evans 4747 Executive Drive, Suite 1000 San Diego, California 92121 Telephone: (858) 597-9600 Facsimile: (858) 597-9601

The Court has decided that Mara Law Firm, PC is qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. *What Are My Options?*

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

<u>Important Note</u>**: *Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.***

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and may receive a payment from the Settlement. You will be bound to the release of the Released Class Claims as defined in the Settlement Agreement and the Final Judgment. You will also give up your right to pursue the Released Class Claims as defined in Section No. 9 below.

- **OPT OUT:** If you do not want to participate as a Class Member, you may "opt out," which will remove you from the Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive a Settlement payment and you will not give up the right to sue Defendant and the Released Parties for the Released Class Claims. If you are an Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.
- **OBJECT:** You may file a legal objection to the proposed settlement. If you would like to object, you may not opt out of this case.

7. How Do I Opt Out Or Exclude Myself From This Settlement?

If you do not want to take part in the Settlement, you must mail a written Request for Exclusion to the Settlement Administrator. The written request for exclusion must: (a) state your name, address, telephone number, and social security number or employee identification number; (b) state your intention to exclude yourself from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator at [address]; (d) be signed by you or your lawful representative; and (e) be postmarked no later than [the Response Deadline].

If the Court approves the Settlement at the Final Approval Hearing, the Court will enter a Judgment. If you do not request exclusion from the Settlement, the Judgment will bind you to the terms of the Settlement. If you are an Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.

8. How Do I Object To The Settlement?

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by submitting your objection in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than [the Response Deadline]. The objection must state: (a) your full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing. If you are a Class Member who does not opt out of the Settlement, you may also raise a verbal objection to the Settlement at the Final Approval Hearing. The objection will not be valid if it objects only to the appropriateness of the actions or their merits.

Class Members may appear at the Final Approval Hearing, either in person or through the objector's own counsel. If the Court rejects the objection, he/she will receive an Individual Settlement Share payment and will be bound by the terms of the Settlement.

9. How Does This Settlement Affect My Rights? What are the Released Claims?

If the proposed settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will release

Defendant and the Released Parties[1] from the Released Class Claims. The Released Class Claims are:

> All claims alleged or that could have been alleged based on the facts and circumstances alleged in the Class Action Complaint, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 218, 218.5, 222, 223, 224, 226, 226.2, 226.3, 226.7, 246, 248.2, 248.6, 510, 512, 515, 558, 1194, 1194.2, 1197; IWC Wage Order No. 4-2001 related to the alleged Labor Code violations; California Code of Regulations, Title 8, sections 11110 and 3395; and California Business and Professions Code sections 17200-17208; and any claim for attorneys' fees and costs related to the above-referenced claims.

If you are an Aggrieved Employee, you will be bound by the Final Judgment and will release the Released Parties from the Released PAGA Claims, even if you opt-out of the settlement. The Released PAGA Claims include are:

> All claims asserted in the PAGA Action Complaint and Plaintiff's PAGA notice to the LWDA or that could have been alleged based on the facts and circumstances alleged in the PAGA Action Complaint and Plaintiff's PAGA notice to the LWDA, including but not limited to claims under California Labor Code sections 201, 202, 203, 204, 222, 223, 224, 226, 226.2, 226.3, 226.7, 246, 510, 512, 515, 558, 1194, 1197, 1197.1, 1199, 2698, 2699; IWC Wage Order No. 4-2001 related to the alleged Labor Code violations; and California Code of Regulations section 11070. All Released PAGA Claims are limited to the PAGA Period

All Class Members who do not opt out of the Settlement will be enjoined from prosecuting the Released Class Claims and initiating or continuing other proceedings regarding the Release Class Claims, including but not limited to filing any claims for monetary relief of the Released Claims before the Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. All Aggrieved Employees will be enjoined from prosecuting the Released PAGA Claims and from initiating or continuing other proceedings regarding the Released PAGA Claims, including but not limited to filing any claims for monetary relief of the Released PAGA Claims before the DLSE or in any forum whatsoever.

10. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that Defendant could be required to pay under this Agreement shall be up to but no more than $150,000 ("Gross Settlement Amount" or "GSA").

A. <u>Deductions from the Settlement</u>

The "Net Settlement Amount" or "NSA" means the portion of the Gross Settlement Amount, available for distribution to Class Members after the deduction of (1) the Class Representative Enhancement Payment to the named Plaintiff in an amount up to $10,000, for prosecution of the Lawsuits, risks undertaken for the payment of attorneys' fees and costs, and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator in an amount estimated not to exceed $5,000; (3) a payment of $2,000 allocated to the PAGA claims; and (4) payment to Class Counsel in an amount not to exceed $50,000 (one-third of the Gross Settlement Amount) for attorneys' fees and an amount not to exceed $13,000 for litigation costs. All of these payments are subject to court approval.

[1] "Released Parties" means Defendant and its past, present and/or future, direct and/or indirect, officers, directors, employees, representatives, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, shareholders, joint ventures, predecessors, successors, and/or assigns.

B. How Class Member Settlement Payments are Calculated

After deducting the above-referenced items, the remaining Net Settlement Amount, will be proportionately distributed amongst all Class Members who have not opted out. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked for Defendant in California, based on the Class Data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a work week for purposes of this calculation. Therefore, the value of each Class Member's Individual Class Settlement Share ties directly to the amount of weeks that he or she worked.

C. How Aggrieved Employees' Settlement Payments are Calculated

If you are an Aggrieved Employee under the settlement, you will also receive a portion of the PAGA Payment. Pursuant to PAGA, the LWDA will receive a payment of $1,500 (75% of the $2,000 total PAGA Payment). The remaining $500 is the "Net PAGA Settlement Amount" or "NPSA" and will be proportionately distributed amongst all Aggrieved Employees. Each Aggrieved Employee will receive a proportionate share of the Net PAGA Settlement Amount that is equal to (i) the number of pay periods he or she worked for Defendant in California, based on the Class Data provided by Defendant, divided by (ii) the total number of pay periods worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net PAGA Settlement Amount. One day worked in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Aggrieved Employee's Individual PAGA Settlement Share ties directly to the amount of pay periods that he or she worked.

D. Your Estimated Settlement Payment

Although your exact share of the Net Settlement Amount as a Class Member cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: $______________, less taxes. This is based on the Class Data which shows you worked ___ workweeks during the Class Period. The maximum number of workweeks any Class Member may have is ___.

If you are also an Aggrieved Employee, you will receive a share of the Net PAGA Settlement Amount. Based upon the calculation above, your approximate share of the Net PAGA Settlement Amount, is as follows: $______________. This is based on the PAGA Data which shows you worked ___ workweeks during the PAGA Period. The maximum number of workweeks any Aggrieved Employee may have is ___.

E. Tax Treatment of Your Settlement Payments

Each Class Member's Individual Class Settlement Share will be apportioned as follows: one-third wages, one-third interest, and one-third penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be from each Class Member's Individual Class Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

If you are an Aggrieved Employee, your Individual PAGA Settlement Share will be apportioned as 100% penalties. This will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Aggrieved Employee an IRS Form 1099 with respect to his/her Individual PAGA Settlement Share.

Nothing in this Notice is intended to constitute legal advice relating to the tax liability of any Class Member or Aggrieved Employee. To the extent that this Notice is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

F. What Happens If You Don't Cash Your Check?

It is strongly recommended that upon receipt of your settlement check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period, the Settlement Administrator will pay over the amount represented by the check to the State of California unclaimed property fund in the name of the Class Member.

11. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for Plaintiff and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed one-third of the Gross Settlement Amount ($50,000) for attorney fees and $13,000 for litigation costs.

Defendant has paid all of its own attorneys' fees and costs.

Plaintiff will also be paid, subject to Court approval, an amount not to exceed $10,000, as an enhancement for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a general release of all claims.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the telephone number listed below, toll free or Class Counsel listed above. You can also obtain documents related to this case and this settlement by visiting [administrator website], a website maintained by the Settlement Administrator. Please refer to the J & L Insulation Class Action Settlement.

This Notice does not contain all of the terms of the proposed settlement or all of the details of these proceedings. For more detailed information, you may obtain the underlying documents and papers on file with the Court for a nominal fee at the San Diego County Superior Court, located at 330 West Broadway, San Diego, California 92101, and/or by visiting the San Diego Superior Court website at https://odyroa.sdcourt.ca.gov/. After you agree to the terms, select 2024 in the second box under the "V3 Format," enter 00019764 in the third box under the "V3 Format," and then press the "Search" button. You may also contact Class Counsel, whose contact information is above, and they will provide you with a copy of the settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.