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

AILEEN CERVANIA, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

SCHAPER CONSTRUCTION, INC., a
California Corporation; and DOES 1-50,
inclusive.

Defendants.

CASE NO.: 24CV441404

Assigned to Hon. Charles F. Adams

CLASS ACTION

**DECLARATION OF MEHRDAD
BOKHOUR IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing Information:

Date: September 11, 2025

Time: 1:30 p.m.

Dept.: 7

Complaint Filed: June 18, 2024

FAC Filed: August 22, 2024

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1 5. I was selected as a “Super Lawyer Rising Star” in Employment Litigation each year
2 from 2017 through 2022, and as a “Super Lawyer” in 2023, 2024, and 2025—a distinction awarded
3 to no more than 2.5% of attorneys practicing in the field..

4 6. Through a contested but productive mediation, Plaintiff and Defendant Schaper
5 Construction, Inc. (“Defendant”) (collectively, the “Parties”) entered into a Joint Stipulation of Class
6 Action and PAGA Settlement and Release (“Settlement Agreement” or “Settlement”), resolving the
7 wage and hour claims asserted on behalf of the Settlement Class. A true and correct copy of the
8 Settlement Agreement is attached hereto as **Exhibit “A”**.

9 7. The Settlement Agreement provides for a full and final release of claims asserted in
10 this Action in exchange for Defendant’s agreement to pay a non-reversionary Gross Settlement
11 Amount of \$475,000.00. The Settlement is structured on a non-claims-made basis, meaning that each
12 Settlement Class Member who does not opt out will automatically receive their share of the Net
13 Settlement Amount without the need to submit a claim form or take any affirmative action.

14 8. Plaintiff seeks to represent a Class consisting of all persons who are or were
15 previously employed by Defendant in California classified as a non-exempt employee during June
16 18, 2020 through June 17, 2025 (the “Class” or “Class Members”)¹. Likewise, the Aggrieved
17 Employees include all current or former non-exempt employees who worked for the Defendant in the
18 State of California from June 18, 2023, through June 17, 2025 (“Aggrieved Employees”).

19 9. Under the terms of the Settlement Agreement, Defendant will not oppose Class
20 Counsel’s application for a reasonable award of attorney’s fees not to exceed one-third of the
21 Settlement Amount, Class Counsel’s litigation costs not to exceed \$25,000, Settlement
22 Administration Costs not to exceed \$7,500, PAGA penalties of \$20,000 (of which \$15,000 or 75%
23 will be paid to the LWDA and the remaining \$5,000 or 25% will be paid to the Aggrieved
24 Employees), and a Service Award not to exceed \$10,000 to the named Plaintiff (S.A. ¶ 48(a)-(h)), as
25

26 _____
27 ¹ The Settlement Class excludes: (i) any individuals who previously entered into a severance agreement with
28 Defendant that included a general release of claims; (ii) any individuals related to the Schaper family by blood
or marriage; and (iii) any individuals who submit a timely and valid request for exclusion from the Settlement
Class

1 follows:

	Total Amount
<i>Gross Settlement Amount</i>	\$475,000
Attorneys' Fees (not to exceed 1/3 of GSA)	\$158,333.33
Litigation Costs (not to exceed)	\$25,000.00
Administrator Costs (not to exceed)	\$7,500.00
PAGA payment to LWDA (75% of \$20k award)	\$15,000.00
PAGA payment to aggrieved employees	\$5,000.00
Plaintiff's Service Award	\$10,000.00
<i>Net Settlement Amount</i>	\$254,166.67

8
9 10. The Class consists of approximately 436 non-exempt employees who worked for
10 Defendant in California during the Class Period. Plaintiff contends that, regardless of job title or role,
11 all non-exempt employees were subject to the same workplace wage and hour policies and practices.
12 As a result, Individual Settlement Payments will be distributed on a pro-rata basis, determined by the
13 number of Compensable Workweeks worked during the Class Period. Assuming a total of
14 approximately 436 Settlement Class Members, the average payment is estimated to be **\$582**, with the
15 highest individual payment estimated at approximately **\$3,180**. Class Members with more
16 Compensable Workweeks will receive proportionally higher payments.

17 11. The Settlement is non-reversionary, and Settlement Class Members are not required
18 to submit Claim Forms to receive payment. Each Settlement Class Member will be mailed a Notice
19 Packet containing information about their estimated Individual Settlement Amount, the opportunity
20 to dispute the number of Workweeks credited to them during the Class Period, and instructions on
21 how to submit a Request for Exclusion or an Objection to the Settlement. All Settlement Class
22 Members who do not timely submit a valid Request for Exclusion will automatically receive their
23 Individual Settlement Payment after the Court grants Final Approval. Aggrieved Employees
24 eligible for payments under the PAGA portion of the Settlement may not opt out and will receive
25 their share of the PAGA Amount regardless of participation in the class settlement (attached hereto
26 as **Exhibit B**).

27 12. Because the Settlement is fair, reasonable, and the result of arm's-length negotiations
28 between experienced counsel with the assistance of an experienced mediator, following an

1 appropriate and thorough exchange of relevant information and documents, it warrants preliminary
2 approval. Plaintiff respectfully requests that the Court enter an order: (1) preliminarily approving the
3 Settlement; (2) conditionally certifying the Settlement Class pursuant to California Code of Civil
4 Procedure § 382 for settlement purposes only; (3) approving the form and content of the proposed
5 Notice Packet; (4) appointing Plaintiff's counsel as Class Counsel; (5) appointing Phoenix Class
6 Action Administration Solutions as the Settlement Administrator; and (6) scheduling a Final
7 Approval Hearing.

8 13. On or about June 18, 2024, Plaintiff Aileen Cervania filed a class action complaint in
9 the Court against Defendant, including allegations of: (1) failure to timely wages, (3) failure to pay
10 minimum wages, (3) failure to pay overtime wages, (4) meal period violations, (5) rest period
11 violations, (6) failure to pay all sick time, (7) wage statement violations, (8) waiting time penalties,
12 (9) failure to reimburse business expenses, and (10) unfair competition. Plaintiff then filed a First
13 Amended Complaint to add a cause of action for PAGA penalties based on the foregoing Labor Code
14 violations.

15 14. The Parties conducted a thorough investigation into the facts and legal issues in this
16 Action. This included interviews with putative class members, an investigation of Defendant's
17 operations and pay practices, and the informal exchange of discovery materials, including
18 Defendant's written policies and practices, as well as a representative sampling of payroll and
19 timekeeping records for Settlement Class Members and Aggrieved Employees. Class Counsel has
20 extensive experience in wage and hour litigation and has conducted substantial research regarding
21 the legal claims and potential defenses at issue. Class Counsel has diligently investigated the claims
22 asserted on behalf of the Settlement Class Members and Aggrieved Employees.

23 15. Based on this investigation and their own independent evaluation, Class Counsel
24 believes that the proposed Settlement is fair, reasonable, and adequate, and is in the best interests of
25 the Settlement Class Members and Aggrieved Employees, especially in light of the risks and
26 uncertainties associated with continued litigation, Defendant's asserted defenses, and potential
27 appellate issues.

28 16. On April 17, 2025, the Parties participated in mediation before Tagore Subramanian,

1 Esq., an experienced class action mediator. After a full-day mediation and the issuance of a mediator's
2 proposal, the Parties reached a settlement.

3 17. Plaintiff alleges numerous wage and hour violations on behalf of non-exempt
4 employees who worked for Defendant during the Class Period (i.e., Settlement Class Members).

5 18. First, Plaintiff alleges that Defendant failed to pay all wages due to its unlawful and
6 uneven rounding practice. Plaintiff further contends that Defendant failed to properly calculate and
7 pay overtime and sick pay wages by excluding non-discretionary bonuses and other forms of
8 remuneration from the "regular rate of pay."

9 19. Additionally, Plaintiff alleges that Defendant maintained deficient meal and rest
10 period policies and practices that failed to provide Class Members with timely, duty-free, and
11 compliant meal periods, or pay premium wages in lieu thereof. Plaintiff also alleges that Class
12 Members were not provided with compliant, duty-free rest periods of at least ten (10) minutes for
13 every four (4) hours worked, or major fraction thereof, due to unlawful policies requiring employees
14 to remain on duty and/or on the premises during rest periods.

15 20. Finally, Plaintiff alleges that Defendant failed to pay all final wages upon separation
16 of employment and did not furnish accurate, itemized wage statements in compliance with California
17 Labor Code § 226. Plaintiff also brings representative claims under the Private Attorneys General
18 Act ("PAGA") for civil penalties based on the alleged Labor Code violations described above.

19 21. Defendant contested and denied all material allegations raised by Plaintiff, both on the
20 merits and with respect to the propriety of class certification and PAGA representative treatment.

21 22. First, Defendant argued that its pay practices were lawful and denied maintaining a
22 rounding policy that resulted in any failure to pay wages and asserted that all wages was paid in
23 compliance with applicable Labor Code provisions. Defendant further contended that it correctly
24 calculated and paid all overtime and sick pay wages using the proper regular rate of pay, including
25 all forms of non-discretionary compensation. Defendant denied that any bonuses or other forms of
26 remuneration were improperly excluded from those calculations.

27 23. Additionally, Defendant maintained that its written meal and rest period policies were
28 compliant with California law and that, in practice, Settlement Class Members were provided the

1 opportunity to take timely, duty-free meal and rest periods. Defendant asserted that it had no policy
2 or practice requiring employees to remain on duty or on premises during rest periods.

3 24. Defendant also argued that Plaintiff's claims for wage statement violations, waiting
4 time penalties, and PAGA penalties were derivative of other claims it contended were meritless.
5 Defendant denied that any violations occurred that would support derivative penalties under Labor
6 Code sections 203 or 226.

7 25. Finally, Defendant asserted that individual inquiries would be necessary to determine
8 liability, such as whether and why specific employees took shortened or untimely meal periods, and
9 how break compliance was managed under various supervisors. Defendant emphasized that putative
10 Class Members held different positions with different job duties, worked in different locations, and
11 were subject to varying managerial practices. Defendant argued that this variability rendered the case
12 unsuitable for class or representative treatment. (Bokhour Decl. ¶ 25.)

13 26. Based upon detailed data and records produced through informal discovery and
14 exchanges and factoring in claim certification probabilities and liability probabilities, Class Counsel
15 formulated a detailed damages model to evaluate the claims in preparation for mediation and to reach
16 a realistic and reasonable resolution.

17 **Failure to Pay for all Minimum and Overtime Wages**

18 27. First, Plaintiff alleged that Defendant's allegedly implemented a non-neutral rounding
19 practice/policy that required employees to self report rounded time, which resulted in a systemic
20 failure to pay all wages due. Based on Plaintiff's analysis of the payroll records and data produced,
21 Plaintiff concluded that the rounding policy resulted Class Members being underpaid. Plaintiff
22 estimated that based on a total of 15 unpaid overtime minutes per workweek (calculated at \$24.98
23 average hourly rate x 1.5 = \$37.47), the Class Members were collectively underpaid approximately
24 5,000 hours totalling \$187,350 in unpaid overtime wages.

25 28. However, this maximum figure ignores Defendant's defenses to Plaintiff's rounding
26 claim. In this regard, Defendant argued that this constituted precisely the type of individualized
27 inquiry that is not appropriate for certification because employees self-reported their own time, and
28 the court would have to conduct a person-by-person analysis to determine if the Class Member was

1 correctly paid.

2 29. Due to this and in light of Defendant's defenses, Plaintiff completely discounted the
3 rounding claim, by 40% for risk of non-certification, and by another 40% for Defendant's merit
4 defenses. Resulting in \$67,446 in risk-adjusted damages.

5 **Failure to Timely Pay Overtime Wages at the Correct Rate**

6 30. Next, Plaintiff alleged that Defendant failed to properly calculate the "regular rate of
7 pay" by excluding non-discretionary bonuses, commissions, and other incentive payments when
8 paying overtime and sick pay wages. Plaintiff contends that this exclusion resulted in systemic
9 underpayment of both types of compensation in violation of California law. Based on a review of
10 payroll and paystub data, Plaintiff estimates that Defendant's failure to include all required forms of
11 remuneration in the "regular rate of pay" resulted in underpayment of overtime and sick pay wages,
12 for a total estimated recovery of \$45,00.

13 31. In response, Defendant argued that many of the bonus and incentive payments at issue
14 were discretionary in nature and therefore lawfully excluded from regular rate calculations.
15 Defendant further contended that it correctly paid all overtime and sick pay in accordance with the
16 Labor Code and that any potential underpayment was minimal and made in good faith.

17 32. While Plaintiff maintains that these payments were non-discretionary and required to
18 be included in the regular rate, Plaintiff acknowledges litigation risk, including the possibility that
19 the Court could deny class certification based on individual variations in pay structure and the nature
20 of the bonuses. Accordingly, Plaintiff applied a 15% discount for the risk of denial of class
21 certification and an additional 15% discount for risk on the merits, including at summary judgment
22 or trial. Applying this combined 30% discount, Plaintiff calculates a risk-adjusted value of \$31,500
23 for the regular rate of pay claim.

24 **Waiting Time Penalties**

25 33. Plaintiff also alleged that Defendant failed to timely pay all wages due at separation
26 of employment, entitling former employees to waiting time penalties under Labor Code §§ 201–203.
27 Based on Defendant's records, there were approximately 301 Settlement Class Members who
28 separated from their employment during the applicable statutory period. Using the statutory

1 maximum of 30 days, with an assumed 8-hour workday and an average hourly rate of \$25, the total
2 maximum potential exposure for waiting time penalties is approximately \$1,806,000 (301 employees
3 $\times 8 \text{ hours/day} \times \$25/\text{hour} \times 30 \text{ days}$).

4 34. Defendant disputed this claim and asserted that any failure to pay wages at separation
5 was not willful and, therefore, did not give rise to waiting time penalties under the Labor Code.
6 Defendant also contended that it maintained facially neutral and compliant payroll practices and
7 would defeat any underlying wage claims on the merits or at class certification.

8 35. To account for these risks, Plaintiff applied a 65% risk of defeat at the class
9 certification stage and an additional 40% risk of defeat at the summary judgment stage or on the
10 merits, resulting in the risk-adjusted value of \$379,260 for Plaintiff's waiting time penalty claim.

11 **Failure to Provide Meal and Rest Periods**

12 36. With respect to Plaintiff's meal and rest period claims, the Class Members collectively
13 worked approximately 99,870 shifts during the Class Period. Based on Plaintiff's analysis of a
14 representative sample of Defendant's timekeeping and payroll records produced prior to mediation,
15 Plaintiff applied an estimated 35% violation rate for meal periods and a 33% violation rate for rest
16 periods. Using the applicable premium rate of \$25 per missed break, the maximum potential damages
17 are estimated at approximately \$873,862 for the meal period claim ($99,870 \text{ shifts} \times 35\% \times \$25$) and
18 \$823,944 for the rest period claim ($99,870 \text{ shifts} \times 33\% \times \$25$).

19 37. Defendant vigorously contested liability for both claims, asserting that meal and rest
20 period issues presented individualized questions inappropriate for class certification. Defendant
21 maintained that its written policies were facially compliant with California law and that employees
22 were provided flexibility to take breaks at their discretion. It further argued that manager-specific
23 practices, job duties, and employee choices varied significantly, requiring individualized inquiries
24 into whether breaks were missed or voluntarily skipped. Based on these risks, Plaintiff acknowledged
25 that there was a substantial chance that the Court could deny class certification.

26 38. Based on these arguments, Plaintiff believes there is a 35% risk that the Court would
27 deny class certification on these meal period and rest period violation claims. Defendant also asserted
28 that, even if certification were granted, it would prevail on the merits by showing that it either

1 provided compliant breaks or paid the required premium compensation. Defendant contended that
2 Plaintiff would be unable to present reliable, representative evidence sufficient to establish liability
3 or support a classwide damages award. Plaintiff acknowledged these risks and incorporated a further
4 50% reduction. Plaintiff, therefore, calculates the risk-adjusted value of the meal period claims to be
5 \$284,005, and the rest period claims to be \$267,781.

6 **Failure to Provide Accurate Itemized Wage Statements**

7 39. Finally, Plaintiff alleged that Defendant issued noncompliant wage statements in
8 violation of Labor Code § 226, based on the same facts underlying Plaintiff's claims for unpaid
9 wages, meal and rest period premiums, and failure to include all forms of compensation in the regular
10 rate of pay. Plaintiff estimates that approximately 5,924 allegedly violative wage statements were
11 issued during the Class Period. In calculating Defendant's maximum potential exposure, Plaintiff
12 conservatively assumed that only the "initial" penalty of \$50 per violation would apply, in accordance
13 with Labor Code § 226(e) and case law holding that higher penalties apply only after an employer
14 has been notified of the violations. See *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207
15 (2008). This results in a maximum potential penalty of \$296,200 (5,924 × \$50).

16 40. Defendant disputed this claim and asserted that its wage statements fully complied
17 with the requirements of Labor Code § 226. Defendant further argued that, even if there were any
18 errors, they were not "knowing and intentional," and Plaintiff could not establish the required element
19 of injury. Defendant also relied on its defenses to the underlying wage and hour claims and class
20 certification.

21 41. As such, Plaintiff discounted the calculated maximum exposure by 40% for the risk
22 of non-certification and by an additional 20% for the risk of being unsuccessful on the merits to arrive
23 at an estimated total of \$142,176.

24 **PAGA Penalties**

25 42. Plaintiff also sought civil penalties under the Private Attorneys General Act of 2004
26 ("PAGA") for each violation for which such penalties are available, and alleged that these penalties
27 could be assessed on a cumulative or "stacked" basis. See *Gonzalez v. Corecivic of Tennessee, LLC*,
28 No. 1:16-cv-01891-DAD-JLT, 2018 WL 4388425, at *12 (E.D. Cal. Sept. 12, 2018) ("stacking")

PAGA penalties is not inappropriate under California law”). Assuming application of the default penalty of \$100 per pay period pursuant to Labor Code § 2699(f)(2), and that penalties are not subject to reduction or judicial discretion, the maximum potential exposure for PAGA penalties could reach approximately \$592,400 (5,924 pay periods × \$100).

43. However, this theoretical maximum does not account for significant legal uncertainties. First, courts are divided on whether “stacking” PAGA penalties across multiple violations in a single pay period is appropriate, especially where the violations are derivative in nature. Second, Labor Code § 2699(e)(2) grants courts broad discretion to reduce civil penalties where doing so would avoid an award that is “unjust, arbitrary and oppressive, or confiscatory.” See *Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016) (approving reduction of PAGA penalties where the employer did not act willfully or negligently, and legal obligations were unclear).

44. In recognition of these risks, including the likelihood of judicial reduction and the difficulties of prevailing on the merits of the underlying claims, Plaintiff applied significant discounts to the estimated exposure. After accounting for these risks, Plaintiff estimates a reasonable potential value of \$148,100 in PAGA penalties. However, in light of the Parties’ mutual desire to resolve the matter without protracted litigation, they agreed to allocate \$20,000 of the Gross Settlement Amount toward resolution of the PAGA claim, which Plaintiff believes is fair and reasonable under the circumstances.

45. In sum, when factoring in defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

• Unpaid Wages Claim:	\$98, 946
• Labor Code §§ 201 – 203 Claims:	\$379,260
• Meal Period Claims:	\$284,005
• Rest Break Claims:	\$267,781
• Wage Statement Claims:	\$142,176
• PAGA Penalties	\$148,100
• <u>Total Risk-Adjusted Penalties and Damages:</u>	<u>\$1,320,268</u>

46. Given the realistic value of Plaintiff’s claims, the \$475,000 Settlement Amount is an

1 excellent result for the Class, considering that the Settlement Amount totals approximately 36% of
2 Plaintiff's risk-adjusted value of the case. Preliminary approval is appropriate since the Settlement
3 will provide significant monetary relief to the Class.

4 47. The Settlement was the product of extensive arm's length negotiations between
5 counsel and was facilitated by an experienced wage-and-hour class action mediator. Though cordial
6 and professional, the Settlement negotiations were adversarial and non-collusive in nature. The
7 Settlement reached is the product of substantial effort by the Parties and their counsel. Although
8 Plaintiff and her counsel believe that there was a possibility of certifying the claims, they recognized
9 the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class
10 certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that
11 can take several more years to litigate. In addition, if Defendant prevailed on any of their defenses,
12 the employees may not have received any substantial monetary recovery.

13 48. The Settlement will result in a fair payment to each Settlement Class Member based
14 on the number of Weeks Worked during the Class Period. As set forth hereinabove, Plaintiff and
15 counsel have diligently investigated the claims and defenses on behalf of the Settlement Class
16 Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding
17 further expenditure of Attorneys' Fees and Costs. After evaluating the significant risks attendant with
18 further litigation described above and weighing them against the benefits of a known compromise
19 and settlement as set forth in the Settlement Agreement, settlement on the terms agreed to is believed
20 to be in the best interest of Plaintiff and the Settlement Class, and is a fair and reasonable resolution
21 of the claims alleged.

22 49. Plaintiff's counsel brought to bear a great deal of collective experience in negotiating
23 the settlement of this case. As detailed herein, Plaintiff's counsel engaged in necessary informal
24 discovery, investigation, sampling, and expert evaluation, making it possible to exercise informed
25 judgment throughout the settlement process, including significant document review (e.g., documents
26 pertaining to Defendant's policies and procedures, personnel documents, wage statements, time
27 records, among others) and conducted an extensive analysis and extrapolation of the sampling of
28 class-wide data provided by Defendant.

1 50. Based on our experience in other cases, including wage and hour matters, I believe
2 our office, along with Joshua Falakassa, is qualified to evaluate the class claims and viability of
3 defenses in this class action. In this case, the recovery for each Settlement Class Member is
4 reasonable, fair, and adequate, and a settlement at this time is in the best interest of the Settlement
5 Class. The Settlement provides each Settlement Class Member with compensation for the alleged
6 violations when viewed in relation to the costs and risks inherent in obtaining class certification and
7 proceeding to trial.

8 51. Plaintiff's counsel, as well as Defendant's counsel, fully endorse the terms and
9 conditions of the Settlement as set forth in the above-mentioned Settlement Agreement.

10 52. Of course, the Settlement Amount represents a compromise figure, taking into account
11 the various risks surrounding class certification and the merits of Defendant's asserted defenses.
12 Nevertheless, the Settlement provides for fair and adequate payments to the Settlement Class
13 Members, with no reversion to Defendant.

14 53. Plaintiff seeks a Service Award of \$10,000, which we believe is fair and warranted.
15 Plaintiff agreed to come forward in an effort to effectuate a policy and practice change that benefitted
16 all other Settlement Class Members and to recover unpaid wages and penalties. She assumed
17 significant risk in bringing this litigation, namely, that if she had lost, she could have been ordered to
18 pay Defendant's costs.

19 54. Plaintiff provided invaluable assistance to the investigation and prosecution of this
20 case, including: providing factual background for the Class Complaint; reviewing the litigation
21 documents; providing information and documentation about Defendant's policies and practices;
22 participating in phone calls to discuss litigation and settlement strategy; participating in the mediation
23 process; and reviewing the settlement documents. Plaintiff agreed to participate in this case with no
24 guarantee of personal benefit. Plaintiff's comprehensive declarations setting forth all of the reasons
25 why they believe that the Service Award should be approved have been filed herewith.

26 55. When this case was taken on a contingency fee basis, with our firm agreeing to cover
27 all litigation costs, the final outcome was uncertain. During the litigation, we paid all expenses,
28 including filing fees, court costs, research/database fees, mediation charges, and expert fees. There

1 was never a guarantee that our firm would recover these costs.

2 56. It is our experience that attorneys' fee awards of one-third of a common fund
3 settlement are the standard in California. In this case, Plaintiff's counsel agreed to seek one-third of
4 the Settlement Amount for Attorneys' Fees. Defendant does not oppose this fee request. The fee is
5 further warranted because it is within the range of reasonableness typically awarded in class actions.
6 Our firm's Costs will not exceed \$25,000 and will be based on the actual amount incurred at the time
7 of final approval.

8 57. Subject to the Court's approval, the parties stipulated that Phoenix Class Action
9 Administration Solutions serve as the Settlement Administrator. Phoenix is experienced in
10 administering class action settlements and will not exceed \$7,500 to administer this class action
11 Settlement.

12 58. Plaintiff has concurrently submitted the Settlement to the LWDA in accordance with
13 Labor Code Section 2699(1)(2). The proof of submission is attached hereto as **Exhibit "C."**

14 59. For the foregoing reasons, it is respectfully requested that the Court grant preliminary
15 approval of the Settlement as being fair, reasonable, and in the best interests of the Settlement Class,
16 as well as preliminarily approve the requested Attorneys' Fees and Costs, and Service Award to the
17 Class Representative.

18 I declare under penalty of perjury under the laws of California that the foregoing is true and
19 correct on this 18th day of August 2025, in Los Angeles, California.

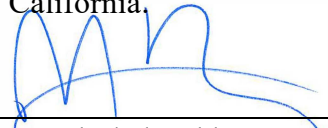
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21 By: 
22 Mehrdad Bokhour, Esq.
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EXHIBIT “A”

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement Agreement and Release of Claims is entered into
3 by and between Plaintiff Aileen Cervania, individually and on behalf of all others similarly
4 situated, and Defendant Schaper Construction, Inc., and is approved as to form by their respective
5 counsel of record, subject to the terms and conditions hereof and the Court’s approval.

6 **A. Definitions**

7 1. “Action” or “Lawsuit” refers to the case entitled *Cervania v. Schaper*
8 *Construction, Inc.*, Case No. 24CV441404, pending in Santa Clara County.

9 2. “Aggrieved Employees” include all current or former non-exempt employees who
10 worked for the Defendant in the State of California from June 18, 2023, through June 17, 2025.

11 3. “Agreement,” “Settlement Agreement,” “Settlement,” or “Stipulation” shall mean
12 this Class Action and PAGA Settlement Agreement and Release of Claims, including any
13 attached Exhibits.

14 4. “Class Claims” or “Released Class Claims” will include all claims that were
15 alleged, or reasonably could have been alleged, based on the facts stated in the Complaint,
16 regardless of whether such claims arise under federal, state and/or local law, statute, ordinance,
17 regulation, common law, or other source of law and specifically include, but are not limited to
18 Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 246, 510, 512, 1174, 1174.1, 1182.12, 1194,
19 1194.2, 1197, and 2802 and the related IWC Wage Orders and Business & Professions Code §§
20 17200, et seq. claims based on alleged violations of these Labor Code and Wage Order provisions)
21 and all other claims, such as those under the California Labor Code, Wage Orders, regulations,
22 and/or other provisions of law, that could have been pleaded based on the facts asserted in the
23 Action, including claims for (1) failure to timely pay wages; (2) failure to pay minimum wages;
24 (2) failure to pay overtime wages; (3) failure to pay all overtime wages; (4) failure to provide
25 meal periods or pay a premium in lieu thereof; (5) failure to authorize and permit rest periods or
26 pay a premium in lieu thereof; (5) failure to timely pay final wages at the time of termination/end
27 of employment; (6) failure to pay all sick time wages; (7) failure to furnish accurate itemized
28 wage statements; (8) failure to reimburse employees for business expenses; (9) unfair business

practices; (10) failure to pay sick pay wages and all interest, fees, and costs (“Released Claims”). The specific enumeration of these claims and statutes shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in any Complaint on file in the Action.

5. “Class Counsel” refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and Joshua Falakassa of Falakassa Law, P.C.

6. “Class Data” means a complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator on one spreadsheet and shall include the Settlement Class Members’ full names; last known addresses; ; Social Security Numbers; dates of employment and/or number of Workweeks as non-exempt or hourly employees of Defendant during the Class Period and the PAGA Period for each Settlement Class Member.

7. “Class Period” and “Class Release Period” shall mean June 18, 2020 through June 17, 2025.

8. “Class Representative” or “Plaintiff” means and refers to Aileen Cervania.

9. “Complaint” refers to the Second Amended Complaint filed in the Santa Clara County Superior Court action entitled *Cervania v. Schaper Construction, Inc.*, Case No. 24CV441404.

10. “Court” means the California Superior Court, County of Santa Clara, or any Court of competent jurisdiction.

11. “Defendant” refers to Schaper Construction, Inc.

12. “Defendant’s Counsel” or “Defense Counsel” refers to Mollie M. Burks and Sat Sang Khalsa of Gordon & Rees Scully Mansukhani LLP.

13. “Effective Date” refers to the date upon which both of the following have occurred: (i) final approval of the settlement is granted by the Court and (ii) the Court’s Judgment approving the settlement becomes Final, which shall occur after the latest of: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review with the California

Supreme Court or other court in California assuming jurisdiction of this matter, or, (ii) if a petition for review is filed, the date of denial of the petition, or the date the Court's Judgment is entered, pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Court's Judgment. If a timely objection to settlement is filed (including an objection from the LWDA), "Effective Date" shall be the later of: (a) the date on which the time for all appeals relating to objections to Settlement and the Final Approval Order has expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the judgment) or affirming the judgment. Provided, however, if the California Labor & Workforce Development Agency ("LWDA") has commenced an investigation or issued a Citation prior to the Effective Date, as determined under the foregoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA's objection to the Settlement is resolved and no longer appealable.

14. "Final" means that the Settlement has been granted "Final Approval" by the Court and the "Effective Date" has occurred.

15. "Final Approval" refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Settlement on substantially the same terms provided herein or as may be modified by subsequent agreement of the Parties or order of the Court.

16. "Final Settlement Class" and "Final Settlement Class Member" refers to all persons who are or were previously employed by Defendant in California classified as a non-exempt employee during the Class Period, and who do not opt out of the Settlement.

17. "Individual Settlement Amount" shall have the meaning ascribed to it in Paragraph 47(d) below.

18. "Net Settlement Amount" shall have the meaning ascribed to it in Paragraph 47(c) below.

19. "Notice" means the notice of the proposed settlement of class action and PAGA

Settlement and the setting of a Final Approval Hearing that will be sent to the Settlement Class Members.

20. “Notice Response Deadline” is 45 calendar days from the date the Notice is mailed to the Settlement Class Members.

21. “Objecting Settlement Class Member” means a Settlement Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement with respect to the Class Claims pursuant to Paragraph 68(a) below.

22. “PAGA” shall refer to the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698-2699.5.

23. “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged during the PAGA Period, based on the facts stated in the Complaint and the PAGA Notice including claims for (1) failure to timely pay wages; (2) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to pay all overtime wages; (4) failure to provide meal periods or pay a premium in lieu thereof; (5) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay final wages at the time of termination/end of employment; (6) failure to pay all sick time wages; (7) failure to furnish accurate itemized wage statements; (8) failure to reimburse employees for business expenses; (9) unfair business practices; (10) failure to pay sick pay wages; and, (11) claims for statutory penalties for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 221, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802-2804, Civil Code sections 3287 and 3289, and unfair and unlawful business practices.

24. “PAGA Notice” shall refer to the notices sent by Plaintiff, by and through counsel, on or about June 18, 2024, to the LWDA and Defendant, alleging that Defendant engaged in violations of the California Labor Code and California Wage Order(s).

25. “PAGA Period” and “PAGA Release Period” shall mean June 18, 2023 through June 17, 2025.

26. “Participating Class Member” means any and all Settlement Class Members who

do not opt out of the settlement of the Class Claims by timely submitting valid Requests for Exclusion.

27. “Parties” or “Settling Parties” means Plaintiff, the Settlement Class Members, the Aggrieved Employees, and Defendant, collectively.

28. “Preliminary Approval Date” means the date the Court preliminarily approves the Settlement Agreement and the exhibits thereto and enters the Preliminary Approval Order.

29. “Preliminary Approval Order” means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and providing for the issuance of the Notice to the Settlement Class Members, an opportunity to opt out of settlement of the Class Claims, an opportunity to submit timely objections to the terms of this Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of Settlement, including approval of attorneys’ fees and costs.

30. “QSF” means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Final Settlement Class, and from which the settlement payments shall be made, and which is intended to be a fund that qualifies under Internal Revenue Code Section 468.

31. “Release” shall mean the release and discharge of the Class Claims by Plaintiff and all of the Participating Class Members and the release and discharge of the PAGA Claims by Plaintiff and all of the Aggrieved Employees.

32. “Released Parties” shall refer to Schaper Construction, Inc., and any of its past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, and affiliates, as well as each of their past, present, and future officers, directors, employees, partners, members, shareholders, agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant..

33. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 68(a) below.

34. “Service Payment” or “Service Award” means the amounts approved by the Court to be paid to the Class Representative in addition to their Individual Settlement Amounts as

Participating Class Members.

35. “Settlement Administration Costs” means the actual and direct fees and expenses reasonably incurred by the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, due diligence, reporting and remittance obligations, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Settlement Amount.

36. “Settlement Administrator” means and refers to Phoenix Class Action Administration Solutions, which will provide the Notice to the Class Members and perform all duties relating to the administration of the Settlement as described in this Agreement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement.

37. “Settlement Amount” or “Gross Settlement Amount” shall have the meaning ascribed to it in Paragraph 4(a) below.

38. “Settlement Class Member” or “Class Member” refers to individual members of the Settlement Class.

39. “Settlement Class” and “Settlement Class Members” refer to all persons who are or were previously employed by Defendant in California classified as a non-exempt employee during the Class Period. The Settlement Class excludes: (i) any individuals who previously entered into a severance agreement with Defendant that included a general release of claims; (ii) any individuals related to the Schaper family by blood or marriage; and (iii) any individuals who submit a timely and valid request for exclusion from the Settlement Class.

40. “Workweeks” for each Settlement Class Member and Aggrieved Employee means any workweek during the Class Period and/or the PAGA Period, as applicable, in which the Settlement Class Member and/or Aggrieved Employee was employed by Defendant as a non-

1 exempt employee in California and worked at least one shift during the workweek for or on behalf
2 of Defendant for which a prior release of claims has not been signed. Workweeks will be
3 calculated based on the Defendant's business records. This information shall be treated as
4 confidential. Workweeks of Non-Participating Class Members will not be included in the total
5 number of Workweeks the Settlement Administrator uses to calculate and distribute Individual
6 Settlement Payments to Participating Class Members. The number of full workweeks that a
7 Participating Class Member was on a leave of absence, sick time, or vacation during the Class
8 Period shall be excluded from the total number of Workweeks.

9 **B. General Terms**

10 41. On or about June 18, 2024, Plaintiff Aileen Cervania filed a class action complaint
11 in the Court against Defendant, including allegations of: (1) failure to timely wages, (3) failure to
12 pay minimum wages, (3) failure to pay overtime wages, (4) meal period violations, (5) rest period
13 violations, (6) failure to pay all sick time, (7) wage statement violations, (8) waiting time
14 penalties, (9) failure to reimburse business expenses, and (10) unfair competition. Plaintiff then
15 filed a First Amended Complaint to add a cause of action for PAGA penalties based on the
16 foregoing Labor Code violations.

17 42. Defendant denies Plaintiff's claims and allegations and contends that the Action is
18 not suitable for class certification and/or representative treatment.

19 43. Class Representative believe they can proceed with their class, and the
20 representative claims that the Action is meritorious, and that class certification is appropriate.

21 44. The Parties have thoroughly investigated the facts of the Action. This includes
22 conducting an extensive exchange of informal discovery, including Defendant's written policies
23 and practices, and producing payroll and timekeeping records for Settlement Class Members and
24 Aggrieved Employees. Class Counsel is both knowledgeable about and has done extensive
25 research with respect to the applicable law and potential defenses to the claims of the Settlement
26 Class Members and Aggrieved Employees. Class Counsel has diligently investigated the Class
27 Members' claims against Defendant. Based on the foregoing data and their own independent
28 investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant

1 for the consideration and on the terms outlined in this Settlement Agreement is fair, reasonable,
2 and adequate and is in the best interest of the Settlement Class Members and Aggrieved
3 Employees in light of all known facts and circumstances, including the risk of significant delay
4 and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous
5 potential appellate issues.

6 45. On April 17, 2025, the Parties participated in mediation before Tagore
7 Subramanian, Esq., an experienced class action mediator. After a full-day mediation and the
8 issuance of a mediator's proposal, the Parties reached a settlement.

9 46. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
10 to be performed or judgments to be entered pursuant to the terms of the Settlement and Agreement
11 shall be construed as an admission by Defendant of any wrongdoing or violation of any statute or
12 law or liability on the claims or allegations in the Action.

13 47. Stipulation for Class Certification and Representative Treatment. For settlement
14 purposes only, Defendant will stipulate that the Settlement Class Members described herein who
15 do not Request Exclusion from the Settlement Class may be conditionally certified as a settlement
16 class and that the Aggrieved Employees are appropriate for representative treatment for settlement
17 purposes. This stipulation to certification and representative treatment is in no way an admission
18 that class action certification and/or representative treatment is proper and shall not be admissible
19 in this or any other action except for enforcing this Agreement. Should, for whatever reason, the
20 Court fail to issue Final Approval, the Parties' stipulation to class certification and representative
21 treatment as part of the Settlement shall become null and void *ab initio* and shall have no bearing
22 on and shall not be admissible in connection with the issue of whether or not class certification
23 and/or representative treatment would be appropriate in a non-settlement context. Defendant
24 expressly reserves its right and declares that it will continue to oppose class certification,
25 representative treatment, and the substantive merits of the case should the Court fail to issue Final
26 Approval. Plaintiff expressly reserve their rights and declare that they will continue to pursue
27 class certification, representative treatment, and a trial should the Court fail to issue Final
28 Approval.

1 **C. Terms of Settlement**

2 48. The financial terms of the Settlement are as follows:

3 (a) Settlement Amount: The Parties agree to settle this Action for Four Hundred
4 Seventy-Five Thousand Dollars (\$475,000.00) (“the Settlement Amount”). The Settlement
5 Amount is the maximum amount that will be paid by the Defendant and includes Individual
6 Settlement Amounts, attorneys’ fees of Class Counsel, costs and expenses, the Service Payment
7 to the Class Representative, all Settlement Administration Costs, and payment to the Labor
8 Workforce Development Agency (LWDA) for PAGA penalties. Defendant shall separately pay
9 the employer’s share of applicable payroll taxes.

10 (b) Defendant estimates that as of the date of mediation, persons meeting the class
11 definition worked approximately 19,974 Workweeks since June 18, 2020. If, as of June 17, 2025,
12 Class Members have worked more than 10% of that estimate (i.e., there are 21,972 or more Weeks
13 Worked) by the end of the Class Period, then Defendant shall have the option to either (1) Increase
14 the Gross Settlement Amount by \$23.78 (\$475,000 divided by 19,972 for each additional
15 Workweek above 21,972; or (2) have the Class Period and PAGA Period end on the date before
16 the Weeks worked meet or exceed the 21,972 threshold. The Parties agree that in no event shall
17 Defendant be permitted to end the Class Period before April 17, 2025 (the day of mediation). If
18 Defendant elects to shorten the Class Period and PAGA Period, then Defendant must give written
19 notice to Plaintiff’s counsel by email no later than August 30, 2025, and the Parties shall amend
20 the Settlement Agreement and Notice to reflect the modified Class Period. If the Preliminary
21 Approval motion has already been filed, the Parties shall submit a stipulation, all applicable
22 documents, and a revised Order to reflect the new Class Period, PAGA Period, and Workweek
23 information.

24 (c) Net Settlement Amount: The “Net Settlement Amount” is defined as the
25 Settlement Amount less attorneys’ fees and litigation costs as approved and awarded by the Court,
26 the Service Payments to Class Representative as approved and awarded by the Court, the
27 Settlement Administration Costs, as approved and awarded by the Court, and the Twenty
28 Thousand Dollars (\$20,000.00) allocated to payment for PAGA penalties as described in

paragraph 48(d) below. If the Court reduces the attorneys' fees and litigation costs or Service Awards, Settlement Administration Costs, or either increases or decreases the amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly. Any Court order awarding less than the below allocations of the Settlement Amount shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement.

(d) Individual Settlement Amounts for the Settlement Class: The Settlement Administrator will use the Class Data provided by Defendant to calculate each Participating Class Member's and Aggrieved Employee's Individual Settlement Amounts based on the following formula:

i. PAGA Amount: \$20,000 of the Gross Settlement Amount has been designated to the PAGA claims. Twenty-five percent (25%) of the \$20,000, or \$5,000, shall be paid to Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the \$5,000 proportionate to the number of Pay Periods by the Aggrieved Employees during the PAGA Period compared to the total number of Pay Periods by all Aggrieved Employees during the PAGA Period. Aggrieved Employees shall have their settlement amount for the Released PAGA claims paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which the Settlement Administrator will issue a Form 1099.

ii. Class Amount: The Net Settlement Amount shall be allocated to each Participating Class Member based on their proportionate Workweeks during the Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Participating Class Member's total Workweeks during the Class Period, and the denominator of which is the total Workweeks by all Participating Class Members during the Class Period. If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount distributed to Participating Class Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims.

(e) Allocation of Individual Settlement Amounts: The Individual Settlement Amounts will be allocated for tax purposes based on the allegations in the Action as follows: 10 percent

wages, 70 percent penalties, and 20 percent interest. Wage payments shall be subject to all required withholdings. Each putative class member's gross settlement award will be reported on a W-2 and/or 1099 Form. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms concerning the wage allocation and a Form 1099 concerning the civil penalties and interest allocations.

(f) Service Payments to Class Representative: The amounts awarded to the Class Representative as Service Payments will be set by the Court in its discretion, not to exceed \$10,000. Defendant agrees not to oppose this request. The Service Payments to Class Representative will be paid from the Gross Settlement Amount. Class Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on this payment. The Parties agree that any amount awarded by the Court as the Service Payments to Plaintiff less than the requested amount shall not be a basis for Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for the Service Payments, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. In the event of any appeal of the amount of the service awards (if any) approved by the Court, if, after the exhaustion of any such appellate review, additional amounts not awarded to the Class Representative shall be added to the Net Settlement Amount to be distributed to the Participating Class Members.

(g) Class Counsel's Attorneys' Fees and Costs: Defendant agrees not to oppose a request by Class Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Settlement Amount, plus reasonable litigation costs not to exceed \$25,000 ("Attorneys' Fees and Costs Award"). For purposes of this Settlement, Defendant agrees not to oppose any contention by Class Counsel that attorneys' fees should be based on the common fund theory. The Attorneys' Fees and Costs Award shall be paid from the Gross Settlement Amount, and except for this award, Defendant shall have no further obligation to pay any attorneys' fees, costs, or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class

Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. In the event of any appeal of the amount of the awards of attorneys' fees and costs (if any) approved by the Court, final funding and administration of the portion of the attorneys' fees and/or costs award in dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion of any such appellate review, additional amounts not awarded to as attorneys' fees and costs shall be added to the Net Settlement Amount to be distributed to the Participating Class Members and/or Aggrieved Employees. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court. Class Counsel agrees that any allocation of fees between or among Class Counsel and any other attorney representing or claiming to represent the Class Members shall be the sole responsibility of Class Counsel.

(h) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Gross Settlement Amount, not to exceed \$7,500, subject to Court approval, unless approved by all Parties and the Court.

(i) PAGA Penalties: The Parties agree that \$20,000 is allocated to PAGA Penalties and will be paid from the Gross Settlement Amount, subject to Court approval. Of this amount, \$15,000 (75%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil penalties under the PAGA, and \$5,000 (25%) will be included in the Individual Settlement Amounts, payable to the Aggrieved Employees as set forth in Paragraph 48(d).

(j) Tax Liability: Class Counsel, Defendant, and Defendant's Counsel make no representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder, and Plaintiff and the Settlement Class Members are not relying on any statement or representation by Class Counsel, Defendant, or Defendant's Counsel in this regard. Plaintiff and Final Settlement Class Members understand and agree that they will be solely responsible for paying any taxes and penalties assessed on their respective Settlement Amounts described herein. Income tax withholding will also be made pursuant to applicable federal, state, and/or local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement.

1 If the Code, the regulations promulgated thereunder, or other applicable tax law are changed after
2 the date of this Agreement, the processes set forth in this Section may be modified to bring
3 Defendant into compliance with any such changes.

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

28 49. “Non-Reversionary” Settlement. This is a “non-reversionary” settlement. Under

no circumstances will any portion of the Settlement Amount revert to Defendant. Final Settlement Class Members will not have to make a claim to receive an Individual Settlement Amount. In the form of Individual Settlement Amounts, Distributions will be made directly to each Final Settlement Class Member. The Settlement Administrator shall be responsible for accurately and timely reporting any remittance obligations with respect to unclaimed funds as a result of a Final Settlement Class Member not cashing an Individual Settlement Amount by the check cashing deadline, as set forth herein.

50. Class Counsel and Plaintiff believe that the Settlement is fair, reasonable, and adequate and will so represent same to the Court.

D. Release by Plaintiff and the Final Settlement Class

51. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class Member, for themselves and their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Release Period.

52. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

53. Upon the Effective Date of this Settlement, Plaintiff, the LWDA, and each Aggrieved Employee, for themselves and their respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Release Period.

54. Plaintiff, each Aggrieved Employee, and the LWDA will be deemed to have made the foregoing Release as if by manually signing it.

55. Plaintiff and Defendant intend that the Settlement described in this Agreement will release and preclude any claim, whether by lawsuit, administrative claim or action, arbitration,

1 demand, or other action of any kind, by each and all of the Participating Class Members to obtain
2 a recovery based on and/or arising out of any and all of the Released Class Claims including,
3 without limitation, claims that were alleged, or reasonably could have been alleged, based on the
4 facts of the operative complaint. The Settlement Class Members shall be notified in the Notice.
5 This paragraph does not apply to any Settlement Class Member who timely and validly opts out
6 of the Settlement for purposes of Class Claims.

7 56. Plaintiff and Defendant intend that the Settlement described in this Agreement will
8 release and preclude any further claim, whether by lawsuit, administrative claim or action,
9 arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and
10 the LWDA to obtain a recovery based on and/or arising out of any and all of the Released PAGA
11 Claims including, without limitation, claims that were alleged, or reasonably could have been
12 alleged, based on the facts of the operative complaint or the PAGA notice letter. The Aggrieved
13 Employees and the LWDA shall be notified in the Notice.

14 57. Class Representative, on behalf of themselves and the Participating Settlement
15 Class Members, acknowledge and agree that the claims for unpaid wages and unreimbursed
16 expenses in the Action, inaccurate wage statements, and untimely payment of wages in the
17 Action, are disputed and that the payments set forth herein constitute payment of all sums
18 allegedly due to them. Class Representative, on behalf of themselves and the Participating
19 Settlement Class Members, acknowledge and agree that California Labor Code Section 206.5
20 does not apply to the Parties hereto. Section 206.5 provides in pertinent part as follows:

21 An employer shall not require the execution of any release of any claim or right on
22 account of wages due, or to become due, or made as an advance on wages to be
23 earned unless payment of those wages has been made.

24 **E. General Release by Class Representative**

25 58. With the exception of claims that cannot be released as matter of law, such as
26 claims for workers' compensation, and in addition to Class Representative' release of the
27 Released Class Claims and Released PAGA Claims, as discussed in Paragraphs 51 and 53 above,
28 Class Representative do hereby, for themselves and for their respective spouses, domestic

1 partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries,
2 devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and
3 representatives, forever completely release and discharge the Released Parties from any and all
4 charges, complaints, claims, liabilities, obligations, promises, agreements, contracts,
5 controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and
6 expenses (including for back wages, statutory penalties, civil penalties, liquidated damages,
7 exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the
8 beginning of time through the execution of this Settlement Agreement, whether known or
9 unknown, suspected or unsuspected, concealed or hidden, including but not limited to all claims
10 arising out of, based upon, or relating to Class Representative' employment with Defendant or
11 the remuneration for or termination of such employment (collectively, the "Class Representative's
12 Claims").

13 59. Class Representative expressly waives and relinquishes all rights and benefits
14 afforded by Section 1542 of the Civil Code of the State of California, understanding and
15 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of
16 the State of California states:

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

22 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and
23 complete release and discharge of all parties, Class Representative and Class Counsel expressly
24 acknowledge that this Settlement Agreement is intended to include in its effect, without
25 limitation, all claims that Class Representative knew of, as well as all claims that they do not
26 know or suspect to exist in their favor against the Released Parties, or any of them, for the time
27 period from the beginning of time to the execution of this Settlement Agreement, and that this
28 Settlement Agreement contemplates the extinguishment of any such Class Representative's

claims.

F. Interim Stay of Proceedings

60. Pending completion of all prerequisites necessary to effectuate this Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the Settlement.

G. Notice Process

61. Appointment of Settlement Administrator. The Parties have agreed to the appointment of the Settlement Administrator to perform the duties of a settlement administrator, including mailing the Notice, using standard devices to obtain forwarding addresses, independently reviewing and verifying documentation associated with any claims or opt-out requests, resolving any disputes regarding the calculation or application of the formula for determining the Individual Settlement Amounts, drafting and mailing the settlement checks to Final Settlement Class Members, issuing Forms W-2 and 1099, reporting to taxing authorities, due diligence, reporting and remittance obligations, and performing such other tasks as set forth herein or as the Parties mutually agree or that the Court orders.

62. Disputes Regarding Settlement Administration. Any and all disputes relating to the administration of the Settlement by the Settlement Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement until Plaintiff and Defendant notify the Court that all payments and obligations contemplated by this Settlement Agreement have been fully carried out. Before presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator shall also be responsible for issuing to Plaintiff, Final Settlement Class Members, and Class Counsel any Forms W-2, Forms 1099, or other Tax Forms as may be required by law for all amounts paid pursuant to this Agreement. The Settlement Administrator shall also be responsible for setting up all necessary tax accounts and forwarding all payroll taxes and penalties to the appropriate government authorities.

63. Class Data. Within thirty (30) days after the Preliminary Approval Order entry,

1 Defendant shall provide the Class Data to the Settlement Administrator. The Settlement
2 Administrator will check the Class Members' addresses against those on file with the U.S. Postal
3 Service's National Change of Address List. The Class Data provided to the Settlement
4 Administrator will not be provided to Class Counsel, and it will remain confidential; it shall be
5 used solely to administer the Settlement, and it will not be used or disclosed to anyone except as
6 required by applicable tax authorities, pursuant to Defendant's express written consent, or by
7 order of the Court.

8 64. Notice. The Notice, as approved by the Court, shall be sent by the Settlement
9 Administrator to the Settlement Class Members by first-class mail, in English , within fourteen
10 (14) calendar days following the Settlement Administrator's receipt of the Class Data. The
11 Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding
12 addresses of Settlement Class Members if any notices are returned.

13 65. Returned Notices. The Settlement Administrator will take steps to ensure that the
14 Notice is received by all Settlement Class Members, including utilization of the National Change
15 of Address Database maintained by the United States Postal Service, to review the accuracy of
16 and, if possible, update a mailing address. Notices will be re-mailed to any Settlement Class
17 Member for whom an updated address is located within ten (10) calendar days following the
18 Settlement Administrator's learning of the failed mailing and its receipt of the updated address.
19 The Notice shall be identical to the original Notice, except that it shall notify the Settlement Class
20 Member that the exclusion (opt-out) request or objection must be returned by the later of the
21 Notice Response Deadline or fifteen (15) days after remailing the Notice.

22 66. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
23 if an envelope has not been returned within thirty (30) days of the mailing the Settlement Class
24 Member received the Notice.

25 67. Disputes Regarding Class Data. Settlement Class Members are deemed to
26 participate in the Settlement unless they opt out. The Notice will inform Settlement Class
27 Members of his/her/their estimated Individual Settlement Amount and the number of Workweeks
28 during the Class Period and the PAGA Period. Settlement Class Members may dispute their

1 Workweeks if they believe they were employed more workweeks in the Class Period in California
2 than the Defendant's records show by timely submitting evidence to the Settlement
3 Administrator. Defendant's records will be presumed determinative absent reliable evidence to
4 rebut the Defendant's records, but the Settlement Administrator will evaluate the evidence
5 submitted by the Settlement Class Member and provide the evidence submitted to the Class
6 Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to
7 determine the Class Member's actual number of Workweeks and estimated Individual Settlement
8 Amount. If Class Counsel and Defense Counsel cannot agree, they agree to submit the dispute to
9 the Court to render a final decision. Settlement Class Members will have until the Notice
10 Response Deadline to dispute Workweeks, object, or opt out, unless extended by the Court. If the
11 Settlement Administrator increases the number of Workweeks for any Settlement Class Member,
12 then the Settlement Administrator will recalculate the Participating Class Members' Individual
13 Settlement Amounts; accordingly, in no event will Defendant be required to increase the Gross
14 Settlement Amount.

15 68. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
16 for the Parties, at least twenty-five (25) days before the final approval hearing, a declaration of
17 due diligence and proof of mailing with regard to the mailing of the Notice.

18 69. Settlement Class Members' Rights. Each Settlement Class Member will be fully
19 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
20 Class Claims, and the ability to opt-out or request exclusion from the Class Claims provisions of
21 the Settlement. The Notice will inform the Settlement Class Members of the Court-established
22 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
23 Settlement in accordance with the following guidelines:

24 (a) Requests for Exclusion from Participating Settlement Class. Any
25 Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating
26 Settlement Class by submitting a "Request for Exclusion" to the Settlement Administrator,
27 postmarked on or before the Notice Response Deadline. The Request for Exclusion should be
28 stated in words to this effect:

1 “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN
2 THE CERVANIA V SCHAPER CONSTRCUTION LAWSUIT. I
3 UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE
4 SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM
5 THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.

6 Any Request for Exclusion must include the full name, address, telephone number, last
7 four digits of the social security number or date of birth, and signature of the Settlement Class
8 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
9 Settlement Administrator at the specified address. Any such Request must be made in accordance
10 with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked
11 by the Notice Response Deadline unless the Parties agree in writing. Any Settlement Class
12 Member who timely requests exclusion in compliance with these requirements: (i) will not have
13 any rights under this Agreement with respect to the Class Claims, including the right to object,
14 appeal, or comment on the Settlement; (ii) will not be entitled to receive any payments under this
15 Agreement with respect to Class Claims; and (iii) will not be bound by this Agreement, or the
16 Judgment, with respect to the Class Claims.

17 (b) Binding Effect on Participating Settlement Class Members. Except for
18 those Settlement Class Members who exclude themselves in compliance with the procedures set
19 forth above, all Settlement Class Members will: (i) be deemed to be Final Settlement Class
20 Members for all purposes under this Agreement; (ii) will be bound by the terms and conditions
21 of this Agreement, the Judgment, and the releases set forth herein; and (iii) except as otherwise
22 provided herein, will be deemed to have waived all objections and oppositions to the fairness,
23 reasonableness, and adequacy of the Settlement.

24 (c) Objections to Settlement of Class Claims. Any Settlement Class Member,
25 other than Plaintiff, may object to the terms of this Agreement with respect to the Class Claims
26 and may appear at the Final Approval Hearing and object, whether or not they have filed a written
27 objection as outlined herein. To object, a Settlement Class Member shall inform the Settlement
28 Administrator, in writing, of//their objection, which must be postmarked by the Notice Response

Deadline at the address set forth in the Notice. Such objection shall include the full name, address, telephone number, dates of employment with Defendant of the Objecting Settlement Class Member, the case name and number, the basis for the objection. The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within three (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence filed with the Court before the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible to receive monetary compensation from the Settlement. Plaintiff and Defendant shall not be responsible for any fees, costs, or expenses incurred by any Class Member and/or his/her/their counsel related to any objections to the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure section 663. Settlement Class Members and Aggrieved Employees may not object to or opt out of the Settlement with respect to the PAGA Claims.

(d) Failure to Object. Any Settlement Class Member who desires to object with respect to the Class Claims but fails to submit a written objection timely waives any right to object will be foreclosed from making any objection to this Settlement. Any Settlement Class Member who does not timely and properly become a party of record by intervening or filing a motion to vacate the judgment waives any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion under California Code of Civil Procedure section 473, and extraordinary writs.

(e) Responses to Objections. Counsel for the Parties may file a response to any objections submitted by Objecting Settlement Class Members at least five (5) court days before the date of the Final Approval Hearing.

70. Settlement Class Members will have until the Notice Response Deadline to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement Administrator shall disclose jointly to Class Counsel and Defendant's counsel what objections or

1 Requests for Exclusion were timely submitted every week and upon the request of Class Counsel
2 or Defense Counsel.

3 71. Funding of the Settlement Amount. Defendant shall make a one-time deposit into
4 the QSF of the Settlement Amount, as described in Paragraph 48(a), that is necessary to make all
5 payments required under this Settlement within thirty (30) days after the Effective Date, and
6 Defendant shall separately pay its share of employer payroll taxes as calculated and directed by
7 the Settlement Administrator.

8 72. Qualified Settlement Fund. The Qualified Settlement Fund shall be established at
9 a federally insured bank acceptable to the Defendant and the Settlement Administrator. The
10 Parties agree that the Qualified Settlement Fund is intended to be a “Qualified Settlement Fund”
11 under section 468B of the Code and Treas. Reg. §1.468B-1, 26 CFR § 1.468B-1, *et seq.*, and will
12 be administered by the Settlement Administrator as such. With respect to the Qualified
13 Settlement Fund, the Settlement Administrator shall: (1) open and administer a Settlement
14 Account in such a manner as to qualify and maintain the qualification of the Qualified Settlement
15 Fund as a “Qualified Settlement Fund” under Section 468B of the Code and Treas. Reg. §1.468B-
16 1; (2) calculate, withhold, remit and report each Participating Class Member’s share of applicable
17 payroll taxes (including, without limitation, federal, state and local income tax withholding,
18 FICA, Medicare and any state or local employment taxes), and indemnify Defendant for any
19 penalty arising out of any error or incorrect calculation and/or interest with respect to any late
20 deposit of the same; (3) calculate and cooperate with Defendant to remit and to permit Defendant
21 to report Defendant’s share of applicable taxes (including, without limitation, federal, state and
22 local income tax withholding, FICA, Medicare, unemployment insurance, employment training
23 tax, state disability insurance and any state or local employment taxes), and indemnify Defendant
24 for any penalty arising out of any error or incorrect calculation and/or interest with respect to the
25 same; (4) satisfy all federal, state and local income and other tax reporting, return, and filing
26 requirements with respect to the Qualified Settlement Fund and any interest or other income
27 earned by the Qualified Settlement Fund; and (5) satisfy out of the Qualified Settlement Fund all
28 (i) taxes (including any estimated taxes, interest or penalties) with respect to the interest or other

1 income earned by the Qualified Settlement Fund, if any, and (ii) fees, expenses and costs incurred
2 in connection with the opening and administration of the Qualified Settlement Fund and the
3 performance of its duties and functions as described in this Agreement. The aforementioned
4 taxes, fees, costs, and expenses shall be treated as and included in the costs of administering the
5 Qualified Settlement Fund and Settlement Administration Costs. The Parties and the Settlement
6 Administrator shall treat the Qualified Settlement Fund as coming into existence as a Qualified
7 Settlement Fund on the earliest date permitted as set forth in 26 CFR §1.468B-1(j)(2)(i), and such
8 election statement shall be attached to the appropriate returns as required by 26 CFR §1.468B-
9 1(j)(2)(ii). The Parties agree to cooperate with the Settlement Administrator and one another to
10 the extent reasonably necessary to carry out the provisions of this Section.

11 73. Distribution of Funds. No later than ten (10) calendar days after deposit of the
12 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
13 Class Members, the payment for the attorneys' fees and costs to Class Counsel, any Service
14 Payment to the Class Representative, the payment to the LWDA for PAGA penalties, and will
15 pay itself the Settlement Administration Costs.

16 74. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
17 have 180 calendar days after mailing by the Settlement Administrator to cash their settlement
18 checks. If any Final Settlement Class Member's check is not cashed within that period, the check
19 will be void, and a stop-payment will be issued. All unclaimed funds shall be delivered to the
20 State of California Unclaimed Property Fund. The release will be binding upon all Final
21 Settlement Class Members who do not cash their checks within the 180-day period. If any
22 settlement check is returned to the Settlement Administrator within 180 days of mailing, the
23 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
24 check, perform a skip trace to locate the individual. If a new address is located by these means,
25 the Administrator will have ten (10) business days to re-issue the check and notify Defense
26 Counsel and Class Counsel that a re-issued check has been sent. Neither the Defendant, defense
27 counsel, Class Counsel, Plaintiff, or settlement administrator will have any liability for lost or
28 stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of

1 settlement checks. Without limiting the foregoing, in the event that a Final Settlement Class
2 Member notifies the Settlement Administrator that he/she/they believe that a settlement check has
3 been lost or stolen, the Settlement Administrator shall immediately stop payment on such check.
4 If the check-in question has not been negotiated before the stop payment order, the Settlement
5 Administrator will issue a replacement check.

6 75. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff,
7 Class Counsel, or the Settlement Administrator based on mailings, distributions, payments, or
8 reports made in accordance with or pursuant to this Agreement. This provision does not, however,
9 prevent a Party from seeking enforcement of this Agreement.

10 76. Without prejudice to any other remedies, the Settlement Administrator shall agree
11 to be responsible for any breach of its obligations (whether committed by the Settlement
12 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from
13 and against all liabilities, claims, causes of action, costs and expenses (including legal fees and
14 expenses) arising out of any breach committed by the Settlement Administrator or its agents.

15 **H. Duties of the Parties Prior to the Court's Approval**

16 77. Upon completion of the execution of this Settlement Agreement, Plaintiff will
17 move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval
18 Order accomplishing the following:

- 19 (a) Scheduling the Final Approval Hearing on the issue of whether this
20 Settlement should be finally approved as fair, reasonable, and adequate as
21 to the Class Members and a hearing on fees, costs, and the Service
22 Payment;
- 23 (b) Approving as to form and content of the proposed Notice;
- 24 (c) Directing the mailing of the Notice by first class mail to the Settlement
25 Class Members;
- 26 (d) Preliminarily approving this Settlement; and
- 27 (e) Preliminarily certifying the class for purposes of this Settlement.

28 Plaintiff counsel shall provide a draft of the motion for preliminary approval of the

1 settlement to Defendant's counsel for review and comment prior to filing it. Good faith efforts
2 will be made to have the preliminary approval hearing within 60 days of execution of this
3 Settlement Agreement.

4 78. Reallocation of Settlement Proceeds. In the event the Court fails, on its first
5 hearing, to approve this Agreement for any reason, including the amount of the PAGA penalties
6 is not adequate, then the Parties shall cooperate in good faith to reallocate the total settlement
7 proceeds within this Agreement, to try to achieve Final Approval of the Agreement upon any
8 subsequent Court hearings.

9 **I. Duties of the Parties Following Court's Final Approval**

10 79. In connection with the Final Approval Hearing provided for in this Settlement
11 Agreement, Class Counsel shall submit a proposed Final Approval Order:

12 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and
13 adequate, and directing consummation of its terms and provisions;

14 (b) Approving Class Counsel's application for an award of attorneys' fees and
15 reimbursement of litigation costs and expenses, the Service Payment to the Class Representative,
16 and the payment to the Settlement Administrator for costs of administering the settlement; and

17 (c) Entering judgment approving the settlement, thereby permanently barring all
18 Participating Class Members from prosecuting any Released Class Claims against any of the
19 Released Parties and permanently barring all Aggrieved Employees and the LWDA from
20 prosecuting any Released PAGA Claims against any of the Released Parties.

21 Plaintiff' counsel shall provide drafts of the motion for final approval of the settlement,
22 and the proposed Final Approval Order, to Defendant's counsel for review and comment prior to
23 filing.

24 **J. Voiding the Agreement**

25 80. If the Court fails or refuses to issue the Final Approval Order or fails to approve
26 any material condition of this Settlement Agreement which effects a fundamental change of the
27 Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to
28 all Parties herein at the option of either Party. Reduction of the amount of attorney's fees and/or

costs sought or Class Representative awards sought shall not be considered a failure to approve a material condition.

81. If Settlement Class Members representing ten percent (10%) or more of the total Workweeks timely submit a Request for Exclusion, Defendant shall have the option of terminating or modifying this Agreement without prejudice to its pre-settlement positions and defenses in the Action. If Defendant exercises such option under this paragraph, it shall be relieved of any obligation to pay the Settlement Amount or any other obligations from the Settlement by giving notice to Plaintiff's Counsel and the Settlement Administrator within ten (10) days of being notified by the Settlement Administrator of a 5% or greater opt-out rate. In such an event, the Parties shall be restored to their respective positions in all respects as though the contemplated settlement never occurred. In the event of such termination, no party may use the fact that the Parties agreed to settle or the terms provided herein as an admission, as evidence, or for any other purpose, including, without limitation, to prove any liability or the amount of any sum allegedly owed by any Party. All parties and counsel shall not encourage opt-outs or objections to this Agreement. The parties agree not to solicit opt-outs, directly or indirectly, through any means.

82. If the Settlement is voided or fails for any reason, Plaintiff and Defendant will have no further obligations under the Settlement, including any obligation by Defendant to pay the Settlement Amount or any amounts that otherwise would have been owed under this Settlement.

83. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendant and Plaintiff unless otherwise specified in this Agreement.

K. Other Terms

84. Full and Complete Defense. Any Released Party may plead this Agreement as a full and complete defense to and may be used as the basis for an injunction against any action, suit, or other proceeding that has been or may be instituted, prosecuted, or attempted, asserting any Released Claim.

1 85. Waiver. The waiver by one Party of any breach of this Agreement by another Party
2 shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

3 86. Parties' Authority. The signatories hereto represent that they are fully authorized
4 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
5 hereof.

6 87. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
7 accomplish the terms of this Settlement Agreement, including but not limited to the execution of
8 such documents and to take such other action as may reasonably be necessary to implement the
9 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best
10 efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that
11 may become necessary by order of the Court or otherwise, to effectuate this Settlement
12 Agreement and the terms set forth herein. As soon as practicable after executing this Settlement
13 Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and
14 Defendant's Counsel, take all necessary steps to secure the Court's preliminary and final approval
15 of the settlement and the final entry of judgment.

16 88. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
17 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
18 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
19 cause of action, or rights released and discharged by this Settlement Agreement.

20 89. No Admission. Defendant denies any and all liability to Plaintiff and/or any
21 Settlement Class Member or Aggrieved Employee under PAGA in this Action as to any and all
22 causes of action that were asserted or that might have been asserted in this Action. Nonetheless,
23 Defendant wishes to settle and compromise the matters at issue in the Complaint to avoid further
24 substantial expense and the inconvenience and distraction of protracted and burdensome
25 litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation,
26 and without conceding any infirmity in the defenses that they have asserted or could assert against
27 Plaintiff, have determined that it is desirable and beneficial that Plaintiff' claims be settled in the
28 manner and upon the terms and conditions set forth in this Agreement.

90. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and it, along with all related documents such as the notices and motions for preliminary and final approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement. The stipulation for class certification as part of this Settlement Agreement is for settlement purposes only, and if, for any reason, the settlement is not approved, the stipulation will be of no force or effect.

91. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To the Settlement Class Members and Aggrieved Employees:

Mehrdad Bokhour
mehrdad@bokhourlaw.com
1901 Avenue of the Stars, Suite 920
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua Falakassa
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 920
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

To Defendant:

Mollie M. Burks (*mburks@grsm.com*)
Sat Sang S. Khalsa (*skhalsa@grsm.com*)
315 Pacific Avenue
San Francisco, CA 94111
Tel: (415) 986-5900; Fax: (415) 986-8054

1 92. Construction. The Parties hereto agree that the terms and conditions of this
2 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
3 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
4 because of the extent to which any Party or their counsel participated in the drafting of this
5 Settlement Agreement. Plaintiff and Defendant expressly waive the common-law and statutory
6 rule of construction that ambiguities should be construed against the drafter of an agreement and
7 further agree, covenant, and represent that the language in all parts of this Agreement shall be in
8 all cases construed as a whole, according to its fair meaning.

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

13 94. Modification. This Settlement Agreement may not be changed, altered, or
14 modified except in writing and signed by the Parties hereto and approved by the Court. This
15 Settlement Agreement may not be discharged except by performance in accordance with its terms
16 or by writing signed by all of the Parties hereto.

17 95. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
18 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
19 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
20 Plaintiff and Defendant agree to seek the help of the mediator identified in this Agreement to
21 resolve any dispute they are unable to resolve informally. During this period, the Parties shall
22 bear their attorneys' fees and costs. This provision shall not apply to any legal action or other
23 proceeding instituted by any person or entity other than Plaintiff or Defendant.

24 96. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
25 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
26 section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action
27 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents, and obligations
28 of this Agreement.

1 97. Enforceability. Pursuant to California Evidence Code sections 1123(a) and (b),
2 this Agreement is intended by the Parties to be and shall be enforceable, binding, and admissible
3 in a court of law.

4 98. Choice of Law. This Settlement Agreement shall be governed by and construed,
5 enforced, and administered in accordance with the laws of the State of California, without regard
6 to its conflicts-of-law rules.

7 99. Integration Clause. This Settlement Agreement contains the entire agreement
8 between the Parties relating to the settlement and transaction contemplated hereby, and all prior
9 or contemporaneous agreements, understandings, representations, and statements, whether oral
10 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
11 hereunder may be waived except in writing.

12 100. Binding On Assigns. This Settlement Agreement shall be binding upon and inure
13 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
14 successors, and assigns.

15 101. Signatures of All Class Members Unnecessary to be Binding. It is agreed that
16 because the members of the Settlement Class are numerous, it is impossible or impractical to have
17 each Final Class Member execute this Settlement Agreement. The Notice will advise all
18 Settlement Class Members of the binding nature of the releases provided herein, and such shall
19 have the same force and effect as if each Final Settlement Class Member executed this Settlement
20 Agreement.

21 102. Counterparts. This Settlement Agreement may be executed in counterparts, and
22 when each Party has signed and delivered at least one such counterpart, each counterpart shall be
23 deemed an original and, when taken together with other signed counterparts, shall constitute one
24 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties.
25 Electronic signatures shall have the same force and effect as an original.

26 **APPROVAL AND EXECUTION BY PARTIES:**
27
28

1 Dated: July¹⁶, 2025

CLASS REPRESENTATIVE:

Signed by:



97A00AB204FD4E8...

Aileen Cervania

5 Dated: July____, 2025

DEFENDANT:

SCHAPER CONSTRUCTION, INC.

Leon Schaper
Chief Executive Officer

APPROVED AS TO FORM:

CLASS COUNSEL

FALAKASSA LAW, P.C.

DocuSigned by:



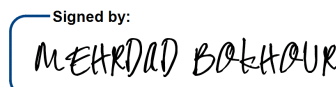
15A628B2C5A149C...

15 Dated: July¹⁶, 2025

Joshua Falakassa
Attorneys for Plaintiff

BOKHOUR LAW GROUP, P.C.

Signed by:



D8D3643F271940F...

20 Dated: July¹⁷, 2025

Mehrdad Bokhour
Attorneys for Plaintiff

DEFENDANT'S COUNSEL:

GORDON & REES SCULLY MANKUKHANI LLP

26 Dated: July____, 2025

Mollie M. Burks
Sat Sang S. Khalsa
Attorneys for Defendant,
Schaper Construction, Inc.

1 Dated: July __, 2025

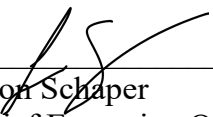
CLASS REPRESENTATIVE:

2
3
4 _____
Aileen Cervania

5 Dated: July 11, 2025

DEFENDANT:

6 SCHAPER CONSTRUCTION, INC.

7
8 
9 _____
Leon Schaper
10 Chief Executive Officer

11 **APPROVED AS TO FORM:**

12 **CLASS COUNSEL**

13 **FALAKASSA LAW, P.C.**

14
15 Dated: July __, 2025

16 _____
Joshua Falakassa
Attorneys for Plaintiff

17
18 **BOKHOUR LAW GROUP, P.C.**

19
20 Dated: July __, 2025

21 _____
Mehrdad Bokhour
Attorneys for Plaintiff

22 **DEFENDANT'S COUNSEL:**

23 **GORDON & REES SCULLY MANKUKHANI LLP**

24
25
26 Dated: July 14, 2025

27 
28 _____
Mollie M. Burks
Sat Sang S. Khalsa
Attorneys for Defendant,
Schaper Construction, Inc.

EXHIBIT “B”

NOTICE OF SETTLEMENT OF CLASS ACTION

Aileen Cervania v. Schaper Construction, Inc.
Superior Court of the State of California, County of Santa Clara
Case No. 24CV441404
LWDA Case No. LWDA-CM-1034702-24

To: All current and former non-exempt hourly employees employed by Schaper Construction, Inc., (the “Company”) in California at any time between June 18, 2020, through June 17, 2025 (the “Class”) and all current and former non-exempt hourly employees employed by Schaper Construction, Inc., at any time between June 18, 2023, through June 17, 2025 (the “Aggrieved Employees”):

THIS NOTICE is about a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a hearing on [REDACTED], 2025 to address whether the proposed settlement should be approved (“Final Approval Hearing”). You may be entitled to receive payment under the terms of this class action settlement contained in the Settlement Agreement, which documents the terms of the settlement that the Court has preliminarily approved (the “Settlement”).

[IDENTIFYING INFORMATION]

You have been identified as a Class Member in the above lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately **\$INSERT AMOUNT** as your share of the Net Settlement Amount should the Court approve the Settlement. Please note that this is only an estimate. Your actual share of the Net Settlement Amount may be more or less than this estimate. Your estimate is based on the number of weeks you performed any work for the Company (referenced herein as “Workweeks” or Weeks Worked”) in California between June 18, 2020, through June 17, 2025 (the “Class Period”).

Additionally, the lawsuit seeks civil penalties under the California Private Attorney General Act (“PAGA”) for all current and former hourly, nonexempt employees who were employed by the Company in California at any time from June 18, 2023, through June 17, 2025 (the “PAGA Period”), who are referred to as “Aggrieved Employees.”

Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE SECTION VIII FOR MORE DETAILS)	
DO NOTHING	Receive a settlement payment and give up your right to sue on the Released Claims described in Section III. This settlement does <u>not</u> require a claims process to receive a payment. Therefore, there is <u>no</u> claim form for you to complete should you wish to receive payment. You are automatically included and eligible to receive a payment once the Court approves the settlement.
EXCLUDE YOURSELF	You may “opt-out” of any connection with this case including any right to a settlement payment. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2025 (see Section VI). All persons who validly and timely opt-out of the Settlement will <u>not</u> receive any settlement payment and will preserve Released Claims described in Section IV subject to applicable statutes of limitations, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

OBJECT	Write to the Court and Settlement Administrator about why you do not like the Settlement by completing and submitting an Objection by [REDACTED], 2025 (see Section VI) or make an objection at the Final Approval Hearing.
GO TO A HEARING	Ask to speak in Court about the terms of the Settlement. The next scheduled hearing is the Final Approval Hearing on [REDACTED].

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Cervania v. Schaper Construction, Inc.*, Santa Clara County Superior Court Case No. 24CV441404, (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

The Company’s records show that you were employed in California as a non-exempt employee (meaning you were paid hourly or otherwise eligible for overtime pay) at some point between June 18, 2020 to June 17, 2025 (“Class Period”). The Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by the Company as a non-exempt employee in California during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On or about June 18, 2024, Plaintiff Aileen Cervania filed a Class Action Complaint in the Court against Defendant, including causes of action asserting: (1) failure to pay all overtime wages, (2) failure to provide rest periods, (3) failure to pay missed meal period premiums, (4) failure to pay sick time (5) wage statement violations, (6) waiting time penalties, (7) unfair competition, and (8) PAGA Penalties.

The Company denies these allegations and contends that it has done nothing wrong. The Company denies that its owe any wages, expenses, restitution, penalties, or other damages. Accordingly, this Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of the Companies, both of which expressly deny any and all liability.

The Court has not ruled on the merits of Plaintiff’s claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, the Company and Plaintiff have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After extensive discovery and providing information to Class Counsel, the Settlement was reached following an arm’s length mediation.

The Class Representatives and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to the Company, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by the Company, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, the Company will not take any adverse action against or

otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in this Settlement. If a Class Member does not participate, his/her share will be paid to those who do participate.

III. Who are the attorneys representing Plaintiff and the Class Members?	
Mehrdad Bokhour Bokhour Law Group, P.C. <i>mehrdad@bokhourlaw.com</i> 1901 Avenue of the Stars, Suite 920 Los Angeles, California 90067 Tel: (310) 975-1493; Fax: (310) 675-0861	Joshua S. Falakassa Falakassa Law, P.C. <i>josh@falakassalaw.com</i> 1901 Avenue of the Stars, Suite 920 Los Angeles, California 90067 Tel: (818) 456-6168; Fax: (888) 505-0868
IV. What are the terms of the Settlement?	

On [PA DATE], the Court certified a class, for settlement purposes only, of all non-exempt employees employed by the Company in California between June 18, 2020, through June 17, 2025 (the "Settlement Class"). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, ("Class Members") will be mailed Settlement checks and in exchange be bound by the Settlement and release of Released Claims.

Without admitting any wrongdoing, the Company has agreed to pay \$475,000.00 (the "Settlement Amount") in U.S. dollars to fully resolve all claims in the Lawsuit, which includes payments for Individual Settlement Payments to eligible Class Members, attorneys' fees and costs, payments to the California Labor Workforce and Development Agency ("LWDA") and PAGA aggrieved employees, and Settlement Administration Costs, Class Representative Service Payments.

The Parties agreed to the following payments from the Settlement Amount:

Settlement Administration Costs. The Court has approved Phoenix Class Action Administration Solutions, ("Phoenix") to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, a maximum of \$ 7,500 will be paid from the Settlement Amount to pay the Settlement Administration Costs.

Penalties to the LWDA. \$20,000 is allocated to PAGA Penalties and will be paid from the Gross Settlement Amount, subject to Court approval. Of this amount, \$15,000 (75%) shall be paid to the LWDA in satisfaction of Plaintiff's claims for civil penalties under the PAGA, and \$5,000 (25%) will be included in the Individual Settlement Amounts, payable to the Aggrieved Employees.

The PAGA Period means June 18, 2023, through June 17, 2025

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their pro rata share of the PAGA Amount, based on the number of Pay Periods during which each Aggrieved Employee worked during the PAGA Period relative to the total number of Pay Periods Worked by all Aggrieved Employees during the PAGA Period.

Service Payment to Settlement Class Representatives. Class Counsel will ask the Court to award Class Representatives a Service Payment in the amount of \$10,000 to Plaintiff (\$10,000 total) to compensate her for service and extra work provided on behalf of the Class Members. The Class Representatives also may receive a share of the Settlement as a Class Member.

Attorneys' Fees and Expenses. Class Counsel, which includes two law firms (Falakassa Law, P.C. and Bokhour Law Group, P.C.), have been prosecuting the Lawsuit on behalf of the Class Members on a

contingency fee basis (that is, without being paid any money to date) for years and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third (\$33.33%) of the common fund Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through finalization of the Settlement. Class Counsel also will ask for reimbursement of up to \$25,000 for the costs Class Counsel incurred in connection with the Lawsuit.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above, the balance will form the Net Settlement Amount for distribution to the participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount for class claims will total approximately \$ [REDACTED]. Compensable workweeks will be all Workweeks Worked by the Settlement Class Members during the Class Period at the Company in California. The dollars per compensable Workweek will be calculated by dividing the total Workweeks Worked (excluding any excluded workweeks) by all Settlement Class Members into the Net Settlement Amount to determine a per workweek value ("Workweek Value"). The Workweek Value will be multiplied by the number of Workweeks Worked by each Settlement Class Member during the Class Period to determine the class payment distribution, prior to legal deductions, for each Settlement Class Member. If any individual in the Settlement Class opts-out of the Settlement, his/her Individual Settlement Amount will be distributed to all Participating Class Members (i.e., those who do not opt-out). Similarly, the PAGA payment will be determined by dividing the \$20,000 PAGA payment by the total Pay Periods of all PAGA aggrieved employees to determine a PAGA Pay Period Value. This PAGA Pay Period Value will be multiplied by the number of Pay Periods by each PAGA aggrieved employee to determine the PAGA payment for each PAGA aggrieved employee. Currently, your projected class payment is \$ [REDACTED] and your projected PAGA payment is \$ [REDACTED].

For each Settlement Class Member, the Weeks Worked at the Company during the Class Period will be calculated from Company's records. The Company's records indicate that you worked for [TOTAL WORKWEEKS] Workweeks in California during the Class Period of June 18, 2020, through June 17, 2025. If you disagree with this number, you may submit by mail evidence to the Settlement Administrator on or before [REDACTED], 2025, with documentation to establish the number of weeks you claim to have actually worked for the Company in California between June 18, 2020, through June 17, 2025 (excluding any excluded workweeks). **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Parties and Administrator will evaluate the evidence submitted by the Settlement Class member and discuss in good faith how many Workweeks should be credited to each Settlement Class member. If the Parties are unable to agree, the Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement, Judgment is entered, and the time to file an appeal has expired, settlement checks will be mailed to all participating Class Members who did not timely request to be excluded. Participating Class Members will have 180 days from the issuance of the last check to cash all of the checks. If any Class Member fails to timely cash a settlement check, a stop payment will be placed on the check and the unclaimed funds will be paid to the California State Controller's Office in the name of the Class Member, so that the Class Member can attempt to collect the funds at a later date.

Allocation and Taxes. Ten percent (10%) of the Settlement Amount distributed to each participating Class Member will be considered and reported as "wages" (W-2 reporting). Ninety percent (20%) of the Settlement Amount will be distributed to each participating Class Member as "interest" and seventy percent (70%) as "civil penalties" (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Settlement payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or non-wage penalty distribution; however, it will be reported on IRS Form 1099 as income. The Company will be responsible for paying its portion of the any state and federal taxes, in addition to the Settlement Amount. Class

Members are responsible for the proper income tax treatment of the Settlement Amounts. The Settlement Administrator, Company and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments. Participating Class Members will be solely responsible for the payment of any taxes and penalties assessed on their Individual Settlement Payments. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Once the Court approves the proposed Settlement, enters Judgment and the Company funds the Settlement Amount, then the Settlement Agreement will bind all participating Class Members who have not opted out of the Settlement, and will bar them from bringing certain claims against the Company as described below. Specifically, after Final Approval by the Court, the Settlement Class Members, for themselves and for their respective agents, spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, predecessors, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Defendant, each of them, and each of their parent, subsidiary, and affiliated entities, and each of their predecessors, successors, and assigns, and each of their former and present directors, officers, shareholders, owners, members, employees, investors, attorneys, insurers, agents, and representatives, as well as any alleged joint employer of Plaintiff, the Settlement Class Members, and the Allegedly Aggrieved Employees of all claims that were pled in the First Amended Complaint and all claims that reasonably could have been alleged in the First Amended Complaint based on the facts alleged therein, or that arise from, are attributable to, or are related to the facts asserted therein, except the claim under the PAGA, including claims

(1) failure to timely pay wages; (2) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to pay all overtime wages; (4) failure to provide meal periods or pay a premium in lieu thereof; (5) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay final wages at the time of termination/end of employment; (6) failure to pay all sick time wages; (7) failure to furnish accurate itemized wage statements; (8) failure to reimburse employees for business expenses; (9) unfair business practices; (10) failure to pay sick pay wages and all interest, fees, and costs. These released claims and damages are hereinafter referred to as “Released Claims.” The time period governing these Released Class Claims shall be at any time from June 18, 2020, through June 17, 2025 (“Release Period”). Any Settlement Class Member who timely requests exclusion in compliance with these requirements will not be bound by this Release, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

Likewise, the “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for civil and statutory penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were or that reasonably could have been pled in the First Amended Complaint, as defined above, based on the facts alleged therein, including claims for claims (1) failure to timely pay wages; (2) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to pay all overtime wages; (4) failure to provide meal periods or pay a premium in lieu thereof; (5) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay final wages at the time of termination/end of employment; (6) failure to pay all sick time wages; (7) failure to furnish accurate itemized wage statements; (8) failure to reimburse employees for business expenses; (9) unfair business practices; (10) failure to pay sick pay wages; and, (11) claims for statutory penalties for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 221, 226, 226.3, 226.7, 227.3, 246, 510, 512, 516, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802-2804, Civil Code sections 3287 and 3289, and unfair and unlawful business practices. The time period governing these Released PAGA Claims shall be at any time from June 18, 2023 through June 17, 2025.

Waiver of Labor Code Section 206.5(e). Class Members who do not opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payments. That section provides in pertinent part as follows:

“No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made.”

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

V. How can I claim money from the settlement?

You are automatically included as a Settlement Class Member to receive an Individual Settlement Payment, provided that you do not exercise your right to opt-out as explained below, and do not have to take any further action. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Amount.

VI. What other options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the exclusion procedure set forth below. If you disagree with the number of Weeks Worked, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described below.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by the Company and the Company will not take any adverse employment action against you based on your participation in the Settlement.

- B. **Exclude Yourself from the Settlement.** If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card postmarked no later than [REDACTED], 2025 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE AILEEN CERVANIA V. SCHAPER CONSTRUCTION, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], postmarked no later than [REDACTED], 2025. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any payments under this Settlement; and (3) will not be bound by this Settlement, or the Judgment, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the proposed Settlement, or any portion of it, you may submit a written objection stating your full name, address, telephone number, dates of employment at the Company, the case name and number, the name and address of your attorney(s) if you are represented, each specific reason in support of your objection,

and any legal support for each objection. You must also include any documentation or evidence in support of the objection, if any. Objections can be in writing and must be mailed to the Settlement Administrator, [ADDRESS], by no later than [REDACTED], 2025 for your objection to be considered. **You need not object to the Settlement if you only dispute the number of Weeks Worked. You may dispute your Weeks Worked by submitting evidence to the Settlement Administrator regarding your employment at the Company. The Settlement Administrator and ultimately the Court will determine the validity of your dispute.**

If the Court rejects your objection, if you want to preserve your rights to appeal from judgment, including all rights to any post-judgment proceedings and appellate proceeding, then you must timely and properly become a party of records in this case by intervening or filing a motion to vacate the judgment. Please consult with an attorney to ensure you understand the proper procedure and timing to become a party of record by intervening in the action or filing a motion to vacate the judgment.

Any class member may appear at the Final Approval Hearing to make an oral objection whether or not any written objection or notice of appearance has been provided.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for [REDACTED], 2025, at 1:30 p.m. in Department 7 of the Santa Clara County Superior Court, located at 191 North First Street, San Jose, California 95113. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before [REDACTED], 2025. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval Hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VII. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Lawsuit regarding the alleged violations of wage and hour laws. If you were employed by the Company in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this Release and to have released the above-described Released Claims. If the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue, and the releases will not take effect.

VIII. What is the next step?

The Court will hold a Final Approval Hearing regarding the adequacy, reasonableness, and fairness of the Settlement, Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Service Payments to the Class Representatives on [REDACTED], 2025 at 1:30 p.m. in Department 7 of the Santa Clara County Superior Court, located at 191 North First Street, San Jose, California 95113.

You may also consult the Superior Court website to access documents by going to (<https://portal.scscourt.org/search>) and entering the Case Number for the Action, Case No. 24CV441404.

To confirm the date and location of the hearing, please visit the Court website below and enter the case number: 24CV441404.

<https://portal.scscourt.org/search>

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

IX. How can I get additional information?
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This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Stipulation for Class Action Settlement and Release of Claims (the Settlement Agreement) at Office of the Clerk, Santa Clara County Superior Court, located at 191 North First Street, San Jose, California 95113, during regular court hours. You may also contact Class Counsel or the Settlement Administrator using the contact information listed above for more information.

Class Members are encouraged to appear remotely via CourtCall or Zoom by contacting the Judicial Assistant in Department 7 for further instructions.

The Settlement Administrator will also post a copy of the final judgment on its website, which can be accessed at the following URL:

**PLEASE DO NOT CALL OR WRITE THE COURT
FOR INFORMATION ABOUT THIS SETTLEMENT**

EXHIBIT “C”