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Attorney for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

JACOB GALVAN;

Plaintiff,

v.

INLAND PAINTING, INC; DARRYL
HOLZKNECHT; and DOES 1 through 20,
inclusive;

Defendants.

Case Number: CVRI2503224

**STIPULATION BY ALL PARTIES FOR
ORDER APPROVING SETTLEMENT
PURSUANT TO CALIFORNIA LABOR
CODE PRIVATE ATTORNEYS'
GENERAL ACT AND ENTERING
JUDGMENT**

Plaintiff JACOB GALVAN ("Plaintiff") and Defendants INLAND PAINTING, INC;
DARRYL HOLZKNECHT ("Defendants"), by and through their respective counsel of record, hereby
stipulate as follows:

WHEREAS, on or about November 26, 2024, Plaintiff by and through Plaintiff's counsel, sent
a notice to the California Labor Workforce Development Agency ("LWDA") and Defendants (the
"PAGA Notice") alleging that Defendants engaged in violation of the California Labor Code and
California Wage Orders, seeking civil penalties pursuant to the California Labor Code Private
Attorneys' General Act ("PAGA");

WHEREAS, on or about May 28, 2025, Plaintiff and Defendants engaged in an informal
mediation to resolve the claims in the outstanding PAGA Notice. The Parties agreed to a tentative
global settlement, subject to court approval.

1 **WHEREAS**, on or about June 4, 2025, Plaintiff filed a Complaint in the California Superior
2 Court for the County of Los Angeles entitled *Jacob Galvan v. Inland Painting, Inc., et al.* (the
3 “Action”) alleging individual employment claims;

4 **WHEREAS**, this Settlement is entered into by and between Plaintiff, on behalf of themselves
5 and “Aggrieved Employees” (defined below), on the one hand, and Defendants on the other hand, to
6 memorialize the essential terms of the settlement of Plaintiff’s representative claim asserted in the
7 Action.

8 **WHEREAS**, this Settlement becomes enforceable upon its execution by the signatories set
9 forth below. The Parties agree to enter into a long-form, Joint Stipulation for Settlement (or similar
10 long-form Settlement Agreement) that contains the terms set forth in this Settlement and more specific
11 information and procedures as required by law. Nonetheless, the Parties intend that the terms set forth
12 herein in this Settlement are fully enforceable by the Riverside Superior Court upon motion of any
13 Party.

14 **WHEREAS**, for purposes of Plaintiff representative claims under PAGA, and for purposes of
15 the Action (as defined below) and this PAGA Agreement, the alleged aggrieved individuals
16 (“Aggrieved Employees”) are defined by Plaintiff to be current and former non-exempt hourly
17 employees who worked at least one pay period, who worked for the Defendants in the State of
18 California during the PAGA Period. The PAGA Period is defined to be from March 31, 2024 through
19 the date this Court approves the settlement described herein (the “PAGA Settlement”) and enters
20 judgment pursuant to the terms of the PAGA Settlement (the “Approval Date”);

21 **WHEREAS**, Defendants vigorously dispute and deny the allegations and various causes of
22 action asserted in the Action, including, without limitation, Plaintiff’s and the Aggrieved Employees’
23 claim for civil penalties pursuant to PAGA;

24 **WHEREAS**, the Parties engaged in an informal exchange of documents and information. The
25 Parties have also conducted extensive independent investigation and evaluations of the claims and
26 defenses in this matter. Both Plaintiff’s counsel and Defendants’ counsel have significant experience
27 litigating and resolving the type of wage-and-hour claims alleged in the Action, including claims for
28 civil penalties under PAGA;

1 **WHEREAS**, according to the PAGA Settlement Agreement, Plaintiff's "PAGA Released
2 Claims" are defined as any and all claims, rights, demands, liabilities and causes of action for civil
3 penalties under the PAGA asserted, or that could have been asserted in the Complaint, and/or PAGA
4 Notice, including but not limited to those under California Labor Code §§ 201, 202, 203, 204, 206,
5 206.5, 210, 216, 218.6, 221, 223, 224, 225.5, 226, 226.3, 226.7, 246, 256, 432.5, 450, 510, 512, 558,
6 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 et seq., 2802, and the California
7 Wage Orders, and a California Civil Code 1542 release as to those sections, that arose during the
8 PAGA Period, based on the factual allegations pled in the operative complaint. A true and correct
9 copy of the PAGA Settlement Agreement is attached hereto as **Exhibit A**, and its defined terms are
10 hereby incorporated by reference;

11 **WHEREAS**, California Labor Code Section 2699(l)(2) requires that this Court review and
12 approve any settlement pursuant to PAGA;

13 **WHEREAS**, the Parties recognize that the issues presented in the Action are likely only to be
14 resolved with extensive and costly discovery, pretrial and trial proceedings, and that further litigation
15 will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential
16 benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome
17 inherent in any litigation;

18 **WHEREAS**, based on their own independent investigations and evaluations, the Parties and
19 their respective counsel are of the opinion that the settlement of the PAGA Claims on the terms set
20 forth in the PAGA Settlement Agreement are fair, reasonable and adequate and is in the best interests
21 of the Parties, the LWDA, and Aggrieved Employees in light of all known facts and circumstances
22 and the risks inherent in litigation;

23 **WHEREAS**, the Parties recognize that this Court may, pursuant to California Labor Code
24 Section 2699(e)(2), award a lesser amount than the maximum civil penalty amount permitted under
25 PAGA if, based on the facts and circumstances of the particular case, to do otherwise would result in
26 an award that is unjust, arbitrary and oppressive, or confiscatory;

WHEREAS, Plaintiff has provided a copy of this Joint Stipulation and the proposed PAGA Settlement Agreement to the LWDA in accordance with Labor Code Section 2699(1)(2), and a proof of service to the LWDA is attached hereto as **Exhibit B**;

WHEREAS, the Parties have mutually agreed upon an Explanatory Letter, attached hereto as **Exhibit C**;

WHEREAS, the settlement administration quote from Phoenix Settlement Administrators is attached hereto as **Exhibit D**;

WHEREAS, in consideration of the terms and conditions set forth in the PAGA Settlement Agreement, the Parties agree to be bound to the terms and conditions set forth in the PAGA Settlement Agreement, including that:

Upon expiration of the appeal period after the final Court Approval Date, the Company shall pay the total sum of \$30,000.00 on account of disputed and alleged civil penalties. From this amount, \$20,000.00 is allocated to settle Plaintiff's Individual Causes of Action. The remainder, \$10,000.00 shall be referred to hereinafter as the PAGA Gross Settlement Amount ("PGSA"). The PGSA shall be distributed as follows:

A. One-third (1/3) of the "PGSA, \$3,333.33, plus \$1,000.00 for costs, totaling 4333.33, shall be paid to Plaintiff's counsel Sirmabekian Law Firm PC, for attorney's fees and costs incurred on the PAGA claims; and, \$1,000.00 shall be paid to the Settlement Administrator.

B. The remaining balance after deducting the amount being paid to Plaintiff's counsel for attorney's fees, costs and expenses on the PAGA claims, \$4,666.67 (the "PAGA Net Settlement Amount" or "PNSA"), shall be classified for tax purposes as civil penalties ("Civil Penalty Allocation"), unless otherwise required by law, and shall be distributed as follows:

i. Sixty-Five Percent (65%) of the Civil Penalty Allocation, \$3,033.33, shall be paid to the LWDA, which represents civil penalties payable to the LWDA under the PAGA, Labor Code section 2698, *et seq.*;

ii. Thirty-Five Percent (35%) of the Civil Penalty Allocation, \$1,633.34, (the "Aggrieved Employee Amount") shall be paid to the PAGA Members, pursuant to Labor Code §

1 2699(i), divided amongst PAGA Members based on each PAGA Member's respective number of pay
2 periods worked for Defendant in California during the PAGA Period.

3 **WHEREAS**, Plaintiff agrees that counsel for Plaintiff will notify the LWDA of the settlement
4 at the same time the settlement is submitted to the court for approval, seek approval of the settlement,
5 and perform any and all statutory tasks as required by law.

6 **WHEREAS**, the Parties further agree that should the Court deny approval of the settlement
7 based on the allocation of the PGSA (the "PAGA Gross Settlement Amount") or PNSA, the Parties
8 agree to re-negotiate in good faith in an effort to obtain approval of the settlement.

9 **WHEREAS**, upon Court approval of the PAGA Settlement and performance of the payment
10 obligations therein, Plaintiff and PAGA Members will fully and finally release and discharge
11 Defendants and their former, present and future owners, parents, and subsidiaries, and all of their
12 current, former and future spouse(s), children, officers, directors, members, managers, employees,
13 consultants, partners, shareholders, joint ventures, agents, predecessors, successors, assigns,
14 accountants, insurers, or legal representatives("Released Parties"), from all claims, rights, demands,
15 liabilities and causes of action for civil penalties under the PAGA asserted, or that could have been
16 asserted in the Complaint, including, but not limited to, those under California *Labor Code* §§ 201,
17 202, 203, 204, 206, 206.5, 210, 216, 218.6, 221, 223, 224, 225.5, 226, 226.3, 226.7, 246, 256, 432.5,
18 450, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 et seq.,
19 2802, Wage Order sections 3, 4, 7, 9, 11, 12, 20, and a California *Civil Code* § 1542 release as to those
20 sections, that arose during the PAGA Period, based on the factual allegations pled in the operative
21 complaint in the Action. ("Released Claims").

22 **WHEREAS**, to settle Plaintiff's Individual Causes of Action, Defendants shall pay \$20,000.00
23 to Plaintiff, in exchange for Plaintiff's: (i) release of their individual claims in the Action, and (ii)
24 complete and general release and waiver of known and unknown claims under Civil Code section
25 1542, except as may be prohibited by law, such as claims for workers' compensation benefits.

26 **WHEREAS**, Plaintiff has sole responsibility for all tax consequences of payments.

27 **WHEREAS**, Defendants represent that it has employed 130 Pay Periods from the beginning
28 of the PAGA Period through present. If as of the date of court approval, the number of Pay Periods

1 increases by more than ten percent (10%) (i.e., the number of Pay Periods exceeds 130 by 13.0 or
2 more Pay Periods), then the amount of the Gross Settlement Amount shall correspondingly increase
3 in proportion to the increased percentage. For example, if such increase in Pay Periods worked by
4 Aggrieved Employees 25% over, then the PAGA Settlement Amount shall increase by 15%.
5 Alternatively, Defendants may choose to have the PAGA release period end on the date when the 10%
6 is reached.

7 **WHEREAS**, Defendants will provide PAGA Members' information (names, addresses, social
8 security numbers, and number of pay periods worked for Defendants in California during the PAGA
9 Period) to the Settlement Administrator to assist the settlement process within Fourteen (14) business
10 days of the court signing the approval order.

11 **WHEREAS**, No later than Fourteen (14) business days from the Effective Date ("Funding
12 Date"), Defendants shall fund the Gross Settlement Amount into an account established by the
13 Settlement Administrator, for administration and distribution in accordance with this Settlement
14 Agreement and the Court's orders.

15 **WHEREAS**, the Parties agree that Phoenix Settlement Administrators, shall be the Settlement
16 Administrator. The Settlement Administrator shall distribute payments for the General Release Fee,
17 the Attorneys' Fees, the Litigation Costs, the Settlement Administration Costs, the Employee
18 Payments, and the LWDA Payment within Fourteen (14) calendar days after receipt of the Gross
19 Settlement Amount from Defendants.

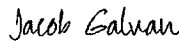
20 **WHEREAS**, Prior to mailing the Cover Letter, the Settlement Administrator shall check the
21 addresses provided in the Aggrieved Employees List using the United States Postal Service's National
22 Change of Address database, and update the addresses for known address changes. Should any of the
23 mailings to the Aggrieved Employees of their Cover Letter and Employee Payments be returned as
24 undeliverable within fourteen (14) calendar days of mailing, the Settlement Administrator will have
25 seven (7) calendar days after it receives the returned undeliverable mail to search for a more current
26 address for the Aggrieved Employee (via a skip trace or other reasonable method) and re-mail the
27 Cover Letter and Employee Payments to any alternative or updated address obtained by the Settlement
28 Administrator.

1 **WHEREAS**, each Aggrieved Employee will be issued one check for his or her Employee
2 Payment which will expire one hundred and eighty (180) calendar days from the date the checks are
3 issued by the Settlement Administrator. After the 180 day-period, the Settlement Administrator shall
4 cancel all checks that have not been cashed or deposited and remit funds associated with such canceled
5 checks to the State Controller's Office, Unclaimed Property Division in the name associated with each
6 Aggrieved Employee whose Employee Payment checks are canceled.

7 Subject to the Court's approval and order based upon this Stipulation, the Parties shall
8 bear their own respective costs and attorneys' fees, except as otherwise provided in the PAGA
9 Settlement Agreement.

10 1. **NOW THEREFORE**, the Parties jointly request that the Court approve the PAGA
11 Settlement set forth in the PAGA Settlement Agreement and enter judgment
12 accordingly to its terms

13
14
15 DATED: 8/11/2025

Signed by:

65B3A537C72E430...

JACOB GALVAN

16
17 DATED: 8/12/2025


INLAND PAINTING, INC; DARRYL HOLZKNECHT

1 DATED: 8/7/2025

SIRMABEKIAN LAW FIRM PC

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3
4 By:

DocuSigned by:

Sarkis Sirmabekian

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Sarkis Sirmabekian, Esq.
Attorney for Plaintiff

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7 DATED: 8/12/2025

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10 By:

Benjamin Yrungaray, Esq., Esq.
Attorney for Defendants