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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JORGE VALENCIA, on behalf of himself and all
others similarly situated,

Plaintiff,

v.

GORDON PAINTING CO., INC., a California
Corporation; and DOES 1-50, inclusive.

Defendants.

CASE NO.: CIVRS2401966

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

HEARING INFORMATION

Date: September 17, 2026
Time: 8:30 a.m.
Dept.: R1

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1 7. I was selected as a “Super Lawyer Rising Star” in Employment Litigation from 2017
2 through 2022 and as a “Super Lawyer” from 2023-2026, a distinction reserved for the top 2.5 % of
3 attorneys in the practice area.

4 8. Through a contested but productive mediation, Plaintiff and Defendant North Valley,
5 LLC (“Defendant”) (collectively, the “Parties”) entered into a Class Action and PAGA Settlement
6 Agreement resolving the wage and hour claims of the Settlement Class (“Settlement Agreement”
7 and/or “Settlement”), and a Class Notice which is attached hereto as **Exhibit “A”**. The Settlement
8 Agreement seeks to fully release and discharge Defendant from the claims brought against it in this
9 matter in exchange for Defendant’s agreement to pay \$360,000 on a non-reversionary, non-claim-
10 made basis (each Settlement Class Member will receive his/her share of the Net Settlement Amount
11 without having to submit a claim form or take action, except for those who opt out).

12 9. Plaintiff seeks to represent a settlement class consisting of all individuals who are or
13 were employed by Defendant as non-exempt hourly employees in California during the Class Period,
14 defined as November 12, 2020 through January 13, 2026 (“Class Members”). The Settlement also
15 resolves Plaintiff’s representative claims under the Private Attorneys General Act (“PAGA”) on
16 behalf of all individuals who were employed by Defendant as non-exempt hourly employees in
17 California during the PAGA Period, defined as November 12, 2023 through January 13, 2026
18 (“PAGA Members”).

19 10. Under the Settlement, Defendant will not oppose Plaintiff’s requests for: (1) attorneys’
20 fees of up to \$120,000 (one-third of the Gross Settlement Amount); (2) litigation costs of up to
21 \$25,000; (3) settlement administration costs of up to \$7,000; (4) a Class Representative Service
22 Award of up to \$10,000; and (5) a \$20,000 allocation to settle the PAGA claims, of which \$13,000
23 (65%) will be paid to the California Labor and Workforce Development Agency (“LWDA”) and
24 \$7,000 (35%) will be distributed to PAGA Members.. (Settlement Agreement ¶¶ 3.2 *et seq.*):

	Total Amount
Gross Settlement Amount	\$360,000
Class Counsel Fees Payment	\$120,000
Class Counsel Litigation Expenses Payment	\$25,000
Administration Expenses Payment	\$7,000

PAGA Penalties to LWDA (65% of \$20K award)	\$13,000
PAGA Penalties to PAGA Members	\$7,000
Class Representative Service Payment	\$10,000
<i>Net Settlement Amount</i>	\$178,000

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

11. Based on Defendant's records, Settlement Class Members worked approximately 10,689 Workweeks during the Class Period. After Court-approved deductions from the Gross Settlement Amount, the Net Settlement Amount will be distributed pro rata based on each Participating Class Member's Workweeks. Based on these figures, the estimated average Individual Class Payment is approximately \$1,150, with the highest estimated Individual Class Payment exceeding \$4,000, depending on the number of Workweeks worked during the Class Period.

12. The Settlement is non-reversionary, and Class Members will not be required to submit claim forms to receive payment, but each Class Member will be mailed the Notice containing detailed information about his/her share, the opportunity to dispute the number of Compensable Workweeks worked by the Class Member, and the opportunity to opt out or object to the Settlement. All Class Members who do not affirmatively opt out will receive a settlement check upon the Court granting final approval of the Settlement.

13. The proposed Settlement is fair, reasonable, and adequate and is the product of informed, arm's-length negotiations conducted with the assistance of experienced mediator Brandon McKelvey, Esq., following Plaintiff's investigation and analysis of Defendant's payroll, timekeeping, and employment records. Accordingly, Plaintiff respectfully requests that the Court: (1) preliminarily approve the Settlement; (2) conditionally certify the Settlement Class for settlement purposes only pursuant to Code of Civil Procedure section 382; (3) approve the proposed Notice and method of dissemination; (4) appoint Plaintiff Jorge Valencia as Class Representative; (5) appoint The Bokhour Law Group, P.C. and Falakassa Law, P.C. as Class Counsel for settlement purposes only; (6) appoint ILYM Group, Inc. as the Settlement Administrator; and (7) schedule a Final Approval Hearing.

14. Defendant Gordon Painting Co., Inc. ("Defendant") engaged in commercial and

1 industrial painting services throughout the State of California..

2 15. Plaintiff was employed by Defendant as a non-exempt hourly employee with the title
3 of Technician from approximately June 2023 through June 24, 2024. During his employment,
4 Plaintiff, along with other non-exempt hourly employees—including painters, technicians,
5 construction workers, dispatchers, and other field personnel—performed the core labor necessary to
6 support Defendant's business operations in California. Plaintiff alleges that Defendant maintained
7 uniform wage-and-hour policies and practices that failed to pay all wages owed, including overtime
8 at the correct regular rate of pay; failed to provide legally compliant meal and rest periods or premium
9 pay in lieu thereof; failed to furnish accurate itemized wage statements; failed to reimburse necessary
10 business expenses; failed to timely pay all wages due upon separation; and otherwise violated the
11 California Labor Code.

12 16. On November 12, 2024, Plaintiff commenced this class action in the San Bernardino
13 County Superior Court alleging causes of action for: (1) failure to pay minimum and overtime wages;
14 (2) failure to provide compliant meal periods; (3) failure to provide compliant rest periods; (4) failure
15 to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to reimburse
16 necessary business expenses; and (7) unfair competition under Business and Professions Code section
17 17200, et seq. On the same day, Plaintiff served a notice pursuant to the Private Attorneys General
18 Act ("PAGA") on the California Labor and Workforce Development Agency ("LWDA") and
19 Defendant based on the same underlying Labor Code violations. After the statutory notice period
20 expired, and pursuant to the Parties' stipulation, Plaintiff filed the operative First Amended Complaint
21 adding a representative cause of action under PAGA.

22 17. Prior to mediation, Plaintiff conducted a thorough investigation and obtained
23 substantial informal discovery, including Plaintiff's personnel, payroll, and time records;
24 representative payroll and timekeeping records for approximately 21.3% of the proposed class;
25 relevant employment policies; and information regarding the size of the proposed class, total
26 workweeks, and PAGA pay periods. Plaintiff also retained Berger Consulting Group to analyze
27 Defendant's sampling of payroll and timekeeping data and evaluate the potential damages associated
28 with Plaintiff's claims, including unpaid minimum and overtime wages, meal and rest period

1 premiums, waiting time penalties, wage statement penalties, unreimbursed business expenses, and
2 PAGA penalties. Based on this investigation, Plaintiff and Class Counsel thoroughly evaluated the
3 strengths and weaknesses of the Action, Defendant's anticipated defenses, and the risks of continued
4 litigation before participating in settlement negotiations.

5 18. On November 14, 2025, the Parties participated in a full-day mediation before
6 experienced wage-and-hour mediator Brandon McKelvey, Esq. After extensive arm's-length
7 negotiations conducted under Mr. McKelvey's supervision, the Parties successfully negotiated the
8 Settlement now before the Court.

9 19. Based on Class Counsel's independent investigation and detailed data obtained
10 through informal discovery and information exchanges, and factoring in claim and liability
11 certification probabilities, Class Counsel formulated detailed damages models to evaluate the claims
12 in preparation for mediation and to reach a realistic and reasonable resolution, as further detailed
13 below.

14 20. Further, Plaintiff alleged that Defendant failed to properly calculate the "regular rate
15 of pay" by excluding certain non-discretionary bonuses, commissions, and incentive payments when
16 calculating overtime and sick pay wages, resulting in alleged underpayment in violation of California
17 law. Based on a review of payroll and paystub data produced during the investigation, Plaintiff
18 estimated that the alleged exclusion of certain incentive payments may have resulted in underpayment
19 of overtime and sick pay wages for some Class Members.

20 21. In response, Defendant denied any regular-rate violation and maintained that the
21 incentive payments at issue were discretionary, properly excluded from the regular rate, and, in any
22 event, resulted in little or no underpayment. Defendant further disputed class certification and
23 asserted individualized issues concerning compensation structures.

24 22. While Plaintiff maintains that certain bonuses and incentive payments were non-
25 discretionary and should have been included in the regular rate of pay, Plaintiff also acknowledges
26 the significant litigation risks associated with this claim. Those risks include the possibility that the
27 Court could deny class certification due to individualized variations in compensation structures and
28 incentive programs, as well as risks on the merits, including summary judgment or an unfavorable

1 trial result.

2 23. In light of these risks and uncertainties, Plaintiff completely discounted the minimal
3 estimated wage value of these two claims in evaluating the Settlement, keeping in mind that the
4 substantial damages result from the derivative waiting time penalties (Labor Code Section 203) and
5 wage statement penalties (Labor Code Section 226(a)).

6 24. Next, Plaintiff alleged that as a result of the above violations, Defendant failed to
7 timely pay all wages due upon separation from employment, thereby entitling former employees to
8 waiting-time penalties under Labor Code sections 201 through 203. Based on Defendant's records,
9 approximately 86 Settlement Class Members were separated from employment during the applicable
10 statutory period. Assuming the statutory maximum penalty of thirty (30) days, an 8-hour workday,
11 and an average hourly rate of \$26.55, Plaintiff estimated a maximum theoretical exposure of
12 approximately \$547,992 for waiting time penalties. (86 employees $\times$ 8 hours per day $\times$ \$26.55 per
13 hour $\times$ 30 days.)

14 25. However, Defendant disputed this claim and asserted that any alleged failure to pay
15 wages in a timely manner at separation was not willful and therefore did not give rise to waiting-time
16 penalties. Defendant further contended that it maintained compliant payroll practices and that any
17 waiting-time penalty claim was derivative of underlying wage claims. Defendant contended that the
18 claims lacked merit or were unsuitable for class treatment.

19 26. To account for these risks, including the risk of denial of class certification and the
20 risk of an adverse ruling at summary judgment or trial, Plaintiff applied a combined 65% discount to
21 the maximum theoretical exposure for this claim. Applying this discount, Plaintiff estimates a risk-
22 adjusted value of approximately \$191,797 for the waiting time penalties claim.

23 27. Further, with respect to Plaintiff's meal and rest period claims, Settlement Class
24 Members collectively worked approximately 49,025 shifts during the Class Period. Based on an
25 analysis of a representative sample of Defendant's timekeeping and payroll records produced prior
26 to mediation, Plaintiff applied an estimated 45% violation rate for meal periods and a 33% violation
27 rate for rest periods. Using an applicable premium rate of \$26.55 per missed break, Plaintiff estimated
28 a maximum theoretical exposure of approximately \$585,726 for the meal period claim (49,025 shifts

1 × 45 percent × \$26.55) and approximately \$429,532 for the rest period claim (49,025 shifts × 33
2 percent × \$26.55).

3 28. However, Defendant also disputed liability on both claims and asserted that meal and
4 rest-period compliance presented highly individualized issues that were inappropriate for class
5 treatment. Defendant maintained that its written meal and rest period policies were facially compliant
6 with California law, that employees were afforded flexibility to take breaks, and that compliance
7 varied based on job duties, location, management practices, and individual employee choice.
8 Defendant also argued that it had a *Donohue* attestation procedure in place that disproved Plaintiff's
9 allegations and provided common proof of a lack of violations. Defendant further argued that these
10 individualized issues created a substantial risk that the Court would deny class certification.

11 29. In light of these risks, Plaintiff applied a 75% discount to the maximum theoretical
12 exposure for these claims. Applying this discount, Plaintiff estimates a risk-adjusted value of
13 approximately \$146,431 for the meal period claims and approximately \$107,383 for the rest period
14 claims.

15 30. Moreover, Plaintiff alleged that Defendant issued non-compliant itemized wage
16 statements in violation of Labor Code section 226, based on the same alleged conduct underlying
17 Plaintiff's claims for unpaid reporting time and overtime wages, and meal and rest period premiums.
18 Based on Defendant's records, Plaintiff estimates that approximately 4,519 allegedly non-compliant
19 wage statements were issued during the Class Period.

20 31. In calculating Defendant's maximum potential exposure, Plaintiff conservatively
21 assumed that only the initial statutory penalty of fifty dollars per violation would apply, consistent
22 with Labor Code section 226(e) and authority holding that higher penalties apply only after notice of
23 a violation. (*Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207.) Using this
24 conservative assumption, Plaintiff estimated a maximum theoretical exposure of approximately
25 \$225,950 (4,519 wage statements multiplied by \$50)

26 32. In response, Defendant disputed this claim and asserted that its wage statements fully
27 complied with Labor Code section 226. Defendant further argued that, even if any technical
28 deficiencies existed, they were not knowing and intentional and did not result in the injury required

1 to recover penalties. Defendant also relied on its defenses to the underlying wage-and-hour claims
2 and to class certification.

3 33. In light of these risks, including the risk of denial of class certification and an adverse
4 ruling on the merits, Plaintiff applied a 50% discount to the maximum theoretical exposure. Applying
5 this discount, Plaintiff estimates a risk-adjusted value of approximately \$112,975 for the wage
6 statement penalty claim.

7 34. Finally, Plaintiff also sought civil penalties under the Private Attorneys General Act
8 of 2004 (“PAGA”) for alleged Labor Code violations for which PAGA penalties are available, and
9 asserted that such penalties could be assessed on a cumulative basis. Assuming application of the
10 default penalty of \$100 per pay period under Labor Code section 2699(f)(2), and assuming no
11 reduction or exercise of judicial discretion, Plaintiff estimated a maximum theoretical exposure of
12 approximately \$451,900, based on approximately 4,519 pay periods during the PAGA period.

13 35. This theoretical maximum, however, does not account for significant legal and
14 practical uncertainties. Courts are divided as to whether PAGA penalties may be stacked across
15 multiple violations within a single pay period, particularly where the violations are derivative of one
16 another. In addition, Labor Code section 2699(e)(2) grants courts broad discretion to reduce civil
17 penalties where necessary to avoid awards that are unjust, arbitrary, oppressive, or confiscatory.
18 Courts routinely exercise this discretion, particularly where an employer did not act willfully or where
19 the legal obligations were unsettled.

20 36. In light of these risks, the Parties agreed to allocate \$20,000 of the Gross Settlement
21 Amount to the resolution of the PAGA claim, which Plaintiff submits is fair, reasonable, and adequate
22 under the circumstances.

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

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|----|-----------------------------------|---|---------------------------|
| 25 | • Reporting Time Pay | : | \$0 (<i>discounted</i>) |
| 26 | • Overtime Wages: | | \$0 (<i>discounted</i>) |
| 27 | • Labor Code §§ 201 – 203 Claims: | | \$191,797 |
| 28 | • Meal Period Claims: | | \$146,431 |

- Rest Break Claims: \$107,383
- Wage Statement Claims: \$112,975
- PAGA Penalties \$20,000
- **Total Risk-Adjusted Penalties and Damages:** \$578,586

38. After accounting for the substantial litigation risks, including certification, liability, damages, derivative penalties, and PAGA reductions, Plaintiff estimated a risk-adjusted value of approximately \$578,586. The \$360,000 Gross Settlement Amount therefore represents approximately 62% of the estimated risk-adjusted value of the Action and provides immediate, meaningful relief while avoiding the delay, expense, and uncertainty of continued litigation. Under these circumstances, the Settlement falls well within the range of reasonableness and merits preliminary approval.

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

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

1 of the claims alleged.

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

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

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

18 44. Of course, the Settlement Amount represents a compromise figure, taking into account
19 the various risks surrounding class certification and the merits of Defendant's asserted defenses.
20 Nevertheless, the Settlement provides for fair and adequate payments to the Settlement Class
21 Members, with no reversion to Defendant.

22 45. Plaintiff seeks a Service Award of \$10,000, which we believe is fair and warranted.
23 Plaintiff agreed to come forward in an effort to effectuate a change in policy and practice that would
24 benefit all other Settlement Class Members and to recover unpaid wages and penalties. Plaintiff
25 assumed a significant risk in bringing this litigation, namely, that if he lost, he could have been
26 ordered to pay the Defendant's costs.

27 46. Plaintiff provided invaluable assistance to the investigation and prosecution of this
28 case, including: providing factual background for the Class Complaint; reviewing the litigation

1 documents; providing information and documentation about Defendant's policies and practices;
2 participating in phone calls to discuss litigation and settlement strategy; and reviewing the settlement
3 documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit. Plaintiff's
4 comprehensive declaration setting forth all of the reasons why he believes that the Service Award
5 should be approved has been filed herewith.

6 47. When this case was taken on a contingency fee basis, with our firm agreeing to assume
7 responsibility for all litigation costs, the ultimate result was far from certain. In the course of this
8 litigation, we paid all costs, including the filing fees, mediation costs, and expert costs. There was
9 never a guarantee that our firms would recoup these expenditures. In fact, had Plaintiff lost, he could
10 have been ordered to pay Defendant's costs

11 48. It is our experience that attorneys' fee awards of one-third of a common fund
12 settlement are the standard in California. Plaintiff's counsel agreed to seek one-third of the Settlement
13 Amount for Attorneys' Fees in this case. Defendant does not oppose this fee request. The fee is further
14 warranted because it falls within the range typically awarded in class actions. Our firm's Costs will
15 not exceed \$20,000 and will be based on the actual amount incurred at the time of final approval.

16 49. Subject to the Court's approval, the parties stipulated that ILYM Group, Inc. serve as
17 the Settlement Administrator. ILYM is experienced in administering class action settlements and will
18 not exceed \$7,000 in administrative costs for this class action Settlement.

19 50. In compliance with California Rules of Professional Conduct section 1.5.1, Plaintiff
20 signed a fee split agreement that provides that fees will be allocated between Class Counsel as
21 follows: fifty percent (50%) to the Bokhour Law Group, P.C., and fifty percent (50%) to the Falakassa
22 Law, P.C.

23 51. For the foregoing reasons, it is respectfully requested that the Court grant preliminary
24 approval of the Settlement as being fair, reasonable, and in the best interests of the Settlement Class,
25 and to preliminarily approve the notice plan and set a final approval hearing. Plaintiff will seek final
26 approval of attorneys' fees, costs, and service awards at the final approval stage.

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I declare under penalty of perjury under the laws of California that the foregoing is true and correct on this 24th day of July 2026, in Los Angeles, California.

By:  _____
Mehrdad Bokhour, Esq.

EXHIBIT “A”

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jorge Valencia (“Plaintiff”) and Defendant Gordon Painting Co., Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant, captioned *Jorge Valencia v. Gordon Painting Co., Inc.*, filed on November 12, 2024, and currently pending in the Superior Court of the State of California, County of San Bernardino, Case No. CIVRS2401966.
- 1.2 “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Class” means all individuals who are or were employed by Defendant as non-exempt hourly employees in California during the Class Period.
- 1.5 “Class Counsel” means Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C.
- 1.6 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.7 “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, social security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.8 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Member).
- 1.9 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.10 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to

be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

- 1.11 "Class Period" means the period from November 12, 2020, through January 13, 2026.
- 1.12 "Class Representative" means Jorge Valencia, the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.13 "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action and in exchange for a general release of claims.
- 1.14 "Court" means the Superior Court of California, County of San Bernardino.
- 1.15 "Defendant" means the named Defendant, Gordon Painting Co., Inc.
- 1.16 "Defense Counsel" means John A. Mavros and Harrison M. Zator of Fisher & Phillips LLP.
- 1.17 "Effective Date" means the date the Court has issued Final Approval or the date the Court has entered Judgment, whichever date is later.
- 1.18 "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.19 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.20 "Gross Settlement Amount" means \$360,000, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses. Defendant shall be separately responsible for the cost of its share of employer-side payroll taxes. The Settlement is non-reversionary.
- 1.21 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.22 "Individual PAGA Payment" means the PAGA Member's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.23 "Judgment" means the judgment entered by the Court based upon the Final Approval.

- 1.24 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subd. (i).
- 1.25 “LWDA PAGA Payment” means 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.26 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.27 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.28 “Operative Complaint” means the most recently filed and current version of the complaint in the Action.
- 1.29 “PAGA Member” means any non-exempt hourly employee who works or worked for Defendant in California at any time during the PAGA Period.
- 1.30 “PAGA Pay Period” means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from November 12, 2023, through January 13, 2026.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code § 2698 et seq.).
- 1.33 “PAGA Notice” or “PAGA Notices” means Plaintiff’s letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the PAGA Members (\$7,000) and 65% to the LWDA (\$13,000) in settlement of the PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff” means Jorge Valencia, the named plaintiff in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Gordon Painting Co., Inc., and all its subsidiaries, affiliates, predecessors or successors in interest, or the officers, directors, shareholders, members, employees, attorneys, agents, assigns, insurers, and re-insurers of Defendant.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a timely written request to be excluded from the Class Settlement signed by the Class Member pursuant to the terms of this Agreement.
- 1.43 “Response Deadline” means 45 days after the Administrator mails the Class Notice to Class Members and PAGA Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days after the Response Deadline.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

- 2.1 On November 12, 2024, Plaintiff filed a Class Action in San Bernardino County Superior Court, asserting class claims based on Defendant’s alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods; (3) failure to provide rest breaks; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to reimburse necessary business expenses; and (7) violation of California’s Unfair Competition Law (“UCL”).
- 2.2 On November 12, 2024, Plaintiff gave notice to the LWDA and Defendant that Plaintiff intended to proceed with a representative action under PAGA pursuant to Labor Code § 2699.3, subd.(a).
- 2.3 On June 2, 2025, Plaintiff filed a First Amended Complaint that added a PAGA cause of action.
- 2.4 Defendant denies the allegations in the Operative Complaint and the Action, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

- 2.5 On November 14, 2025, the Parties participated in an all-day mediation presided over by Brandon McKelvey, Esq., which led to this Agreement.
- 2.6 Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and corresponding pay records belonging to approximately 25% of Class Members, relevant Defendant policies, Plaintiff's time and payroll records, wage statements, and the total number of Class Period Employees and workweeks worked during the Class Period. Plaintiff represents that his investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*")
- 2.7 The Court has not granted class certification.

3. **MONETARY TERMS.**

- 3.1 **Gross Settlement Amount.** Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$360,000.00, and no more as the Gross Settlement Amount, and to separately pay any and all employer-side payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 **To Plaintiff:**

- 3.2.1.1 Class Representative Service Payment to the Class Representative of not more than \$10,000 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments by no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on

the Class Representative Service Payment. In the event the Court does not approve the entirety of the requested Class Representative Service Payment, such ruling shall not entitle Plaintiff to revoke the Settlement.

3.2.1.2 To Class Counsel: A Class Counsel Fees Payment of not more than \$120,000 (representing one third of the Gross Settlement Amount), and a Class Counsel Litigation Expenses Payment of not more than \$25,000. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless and indemnifies Defendant from any dispute or controversy regarding any division or sharing of any of these Payments. In the event the Court does not approve the entirety of the requested Class Counsel Fees Payment and/or Class Counsel Litigation Expenses payment, such ruling shall not entitle Class Counsel to revoke the Settlement. However, Class Counsel reserves the right to appeal any reduction by the Court.

3.2.1.3 To the Administrator: An Administrator Expenses Payment not to exceed \$7,000, except for a showing of good cause and as approved by the Court. To the extent that the Administration Expenses are less than, or the Court approves payment of less than, \$7,000, the Administrator will allocate the remainder to the Net Settlement Amount.

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

3.2.1.5 Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's Individual Class Payment will be

allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for all interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholding and will be reported on IRS Form 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.3 To the LWDA and PAGA Members: PAGA Penalties in the amount of \$20,000 will be paid from the Gross Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Member's 35% share of PAGA Penalties (\$7,000) by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each PAGA Member's PAGA Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks and PAGA Pay Periods. Defendant represents that, through mediation on November 14, 2025, the Settlement Class consisted of approximately 150 class members who worked approximately 10,689 workweeks during the Class Period. Defendant further represents that through mediation on November 14, 2025, the PAGA Settlement Class consisted of approximately 85 employees who worked approximately 4,519 pay periods during the PAGA Period.

4.2 Class Data. No later than fourteen (14) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in a Microsoft Excel spreadsheet. To protect Class Members'

privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class members' identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 Funding of Gross Settlement Amount. The Settlement Administrator will provide Defendant with wire transfer information no more than three (3) days after the Effective Date. Defendant shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after entry of judgment.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (no less than 180 days after the date of mailing) on which the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Members including Non-Participating Class Members who qualify as PAGA Members (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a

USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, upon the Class Member's request prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

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

5.1 **General Release of Claims by Plaintiff.** Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff will be deemed to have fully released and discharged the Released Parties of and from all claims arising from his employment with Defendant, separation of employment from Defendant, and any acts that have or could have been asserted in any legal action or proceeding against Defendant, whether known or unknown, arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, Orders of the California Industrial Welfare Commission, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorneys' fees and costs, arising on or before the date on which the Settlement is executed. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff's intention to settle fully and release all claims they now have against the Released Parties, whether known or unknown, suspected or unsuspected. The Class Representative Service Payment will be paid to Plaintiff specifically in exchange for the general release of the Released Parties from all claims, including those specified in this paragraph and a covenant not to sue the Released Parties. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

5.2 Release by Participating Class Members. In consideration for their awarded Individual Class Payments, as of the date the Settlement becomes Final and has been fully funded, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims arising out of or related to the allegations set forth in the Operative Complaint, including any that were alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint that arose during the Class Period, including claims for: (1) failure to pay minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (3) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (4) failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201–204; (5) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (6) failure to reimburse necessary business expenses in violation of Labor Code sections 2802–2804; (7) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (8) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6); and (9) all claims for liquidated damages, penalties, interest, fees, and costs based on the foregoing.

5.3 Release by PAGA Members. In consideration for their awarded Individual PAGA Payment, as of the date the Settlement becomes Final, all PAGA Members who worked for Defendant during the PAGA Period, on behalf of themselves and their

respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will release the Released Parties from all claims for PAGA Penalties that were alleged or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint or PAGA Notices that arose during the PAGA period, including claims for: (1) failure to pay minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (3) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (4) failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201–204; (5) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; and (6) failure to reimburse necessary business expenses in violation of Labor Code sections 2802–2804.

6. **MOTION FOR PRELIMINARY APPROVAL.** Within a reasonable time after the full execution of this Agreement, Plaintiff will move for an order giving preliminary approval of the Settlement (“Motion for Preliminary Approval”).

6.1 **Plaintiff’s Responsibilities.** Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; and (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members, and its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), and this Agreement (Labor Code section 2699, subd. (l)(2))). Plaintiff shall not file the Motion for Preliminary Approval without Defendant’s review and approval, and Defendant shall have at least five (5) days to review.

6.2 **Responsibilities of Counsel.** Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 45 days after the full execution of this Agreement; obtaining a prompt hearing date for the

Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval order to the Administrator.

- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group ("ILYM") to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising from prior experiences in administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 15 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used

to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than five (5) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline by re-mailing the Class Notice.
- 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs)

- 7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the

Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Members are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review Requests for Exclusion on a rolling basis to ascertain their validity. Not later than 10 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). The Administrator shall not provide the Parties with contact information beyond full names for any members of the Exclusion List. Class Counsel and Defense Counsel agree to limit their use of any information provided by the Administrator from the Exclusion List to the furtherance of this Settlement.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the

Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

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

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

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

7.8.1 Email Address and Toll-Free Number. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails and to provide the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval order and the Judgment.

7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay

Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.3 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.4 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. **ESCALATOR CLAUSE.** The settlement is based on Defendant's representation that, as of the mediation date, Settlement Class Members worked approximately 10,689 workweeks during the Class Period. If the total number of workweeks exceeds 11,758 (i.e., more than 10% above the estimate), Defendant shall increase the GSA on a pro rata basis by 1% for each 1% that the total workweeks exceed the 10% threshold. However, if the escalator clause is triggered, Defendant may alternatively choose to end on the date that the increase would otherwise be triggered.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If 10% or more of the Class Members validly elect not to participate in the Settlement, Defendant will have the right to rescind the Settlement, and the Settlement and all actions taken in its furtherance will be null and void. Defendant must exercise this right within 15 days after the Settlement Administrator

notifies the parties of the number of opt-outs, which the Settlement Administrator will do within 10 days after the deadline for submission of opt-outs. If Defendant exercises the right to rescind, it will be responsible for the costs of administration of the Settlement incurred through that time.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the scheduled Final Approval Hearing, Plaintiff will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of the Proposed Final Approval Order and a proposed Judgment to Defense Counsel not later than 5 days prior to filing the Motion for Final Approval, and shall not file without Defendant's approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Proposed Final Approval Order and a proposed Judgment.

- 10.1 **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 10.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to attempt to address the Court's concerns. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 10.4 **Waiver of Right to Appeal.** The Parties and all Participating Class Members who did not object to the Settlement as provided in this Agreement waive all appeals from the final approval of the Settlement unless the Court materially modifies the Settlement, except that Plaintiff and Class Counsel may appeal from an order by the Court that reduces the amounts sought for the Class Representative Payment or the Class Counsel Fees or Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiff or the Class to avoid the Settlement. Defendant's payment obligation under the Settlement will be suspended pending an appeal of the Judgment.

- 10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to attempt to address the appellate court's concerns, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
11. AMENDED JUDGMENT. If an amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.
12. ADDITIONAL PROVISIONS.
- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment are for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement as agreed by the Parties, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.7 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.12 Confidentiality. Plaintiff and his attorneys agree not to issue any press or other media releases or talk to the press or media regarding the Settlement, and Plaintiff's attorneys agree not to publicize the Settlement on their website or social media. In addition, prior to filing of the Motion for Preliminary Approval, Plaintiff and his attorneys will not have any communication with anyone other than family members, clients, Class Members, financial advisors, retained experts, and vendors

related to settlement administration, regarding the Settlement. If, before the filing of the Motion for Preliminary Approval, Plaintiff or his attorneys disclose to any unauthorized party (a) that a settlement has been reached or (b) any of the terms of the Settlement except as required by law or to effect the Settlement, Defendant may rescind the Settlement, rendering it null and void.

- 12.13 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 30 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction of, Class Data.
- 12.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.15 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter:
- 12.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff and the Settlement Class:

Joshua S. Falakassa
josh@falakassalaw.com
FALAKASSA LAW, P.C.
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

Mehrdad Bokhour
mehrdad@bokhourlaw.com
BOKHOUR LAW GROUP, P.C.
1901 Avenue of the Stars, Suite 520
Los Angeles, California 90067

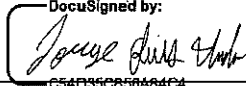
To Defendant:

John A. Mavros
jmavros@fisherphillips.com
Harrison M. Zator
hzator@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614

12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email, which, for purposes of this Agreement, shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree upon signing this Agreement, pursuant to California Civil Procedure Code section 583.330, to extend the date to bring a case to trial under California Civil Procedure Code section 583.310 for the entire period of this settlement process.

Dated: 5/28/2026

DocuSigned by:

C54D35C850A84C4...
Plaintiff Jorge Valencia

Dated: 6/5/2026


Defendant Gordon Painting Co., Inc.

Approved As to Content:

Dated: 5/27/2026

BOKHOUR LAW GROUP, P.C.

Signed by:

D8D3643F271840F...
Mehrdad Bokhour
Attorneys for Plaintiff

Dated: 5/27/2026

FALAKASSA LAW, P.C.

DocuSigned by:

Joshua Falakassa

15A628B2C5A149C...

Joshua Falakassa
Attorneys for Plaintiff

Dated: 6/05/2026

FISHER & PHILLIPS LLP



John A. Mavros
Harrison Zator
Attorneys for Defendant

EXHIBIT "A"

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

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

Jorge Valencia v. Gordon Painting Co., Inc.
Case No. CIVRS2401966

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Gordon Painting Co., Inc. ("Defendant") for alleged wage and hour violations. The Action was filed by a former Defendant employee, Jorge Valencia ("Plaintiff"), and seeks payment of (1) back and premium wages, statutory penalties, and interest for a class of non-exempt hourly employees who work or worked for Defendant in California during the Class Period (November 12, 2020, through January 13, 2026) ("Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for all non-exempt hourly employees who work or worked for Defendant in California during the PAGA Period (November 12, 2023, through January 13, 2026) ("PAGA Members").

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

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and to make a payment to the California Labor and Workforce Development Agency ("LWDA").

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

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

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment

that requires Defendant to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Defendant.

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

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

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Defendant employee. The Action accuses Defendant of violating California labor laws, asserting claims based on Defendant’s alleged: (1) failure to pay minimum and overtime wages; (2) failure to provide meal periods or pay meal premiums; (3) failure to provide rest breaks or pay rest premiums; (4) failure to pay all sick time; (5) failure to provide compliant wage statements; (6) failure to pay all wages at termination; (7) failure to reimburse for necessary business expenses; and (8) unfair competition. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C. (“Class Counsel.”)

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

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator to

resolve the Action by negotiating a settlement agreement rather than continuing the expensive and time-consuming litigation process. The negotiations were successful. By signing a written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree that the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant Will Pay \$360,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, the Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement no later than the first Court day at least 30 days after the Effective Date.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$120,000 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked on the Action and incurred expenses without payment.
 - B. Up to \$10,000 as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only money Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$7,000 to the Administrator for services administering the Settlement.
 - D. Up to \$20,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the PAGA Members based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages ("Wage Portion") and 85% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay the employer-side payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

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

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

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert

PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

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

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

In consideration for their awarded Individual Class Payments, as of the date the Settlement becomes Final and has been fully funded, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims arising out of or related to the allegations set forth in the Operative Complaint, including any that were alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint that arose during the Class Period, including claims for: (1) failure to pay minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (3) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (4) failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201–204; (5) failure to provide complete and accurate wage statements in violation of Labor Code

sections 226 and 226.3; (6) failure to reimburse necessary business expenses in violation of Labor Code sections 2802–2804; (7) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (8) all claims for liquidated damages, penalties, interest, fees, and costs based on the foregoing.

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

The PAGA Members’ Releases for Participating and Non-Participating Class Members are as follows:

In consideration for their awarded Individual PAGA Payment, as of the date the Settlement becomes Final, all PAGA Members who worked for Defendant during the PAGA Period, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will release the Released Parties from all claims for PAGA Penalties that were alleged or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint or PAGA Notices that arose during the PAGA period, including claims for: (1) failure to pay minimum and overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (2) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (3) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (4) failure to pay all wages due and owing during employment and at separation in violation of Labor Code sections 201–204; (5) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; and (6) failure to reimburse necessary business expenses in violation of Labor Code sections 2802–2804.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA

Payments by (a) dividing \$7,000.00 by the total number of PAGA Pay Periods worked by all PAGA Members and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Member.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Valencia v. Gordon Painting Co., Inc.*, Case No. CIVRS2401966, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be**

excluded by _____, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Valencia v. Gordon Painting Co., Inc.*, Case No. CIVRS2401966, and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing at (time) in Department R14 of the San Bernardino County Superior Court, located at 8303 N Haven Avenue, Rancho Cucamonga, CA 91730. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer, at your own expense, to attend) either personally or virtually via Zoom. Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. You can telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to ([https://portal.San Bernardino.courts.ca.gov/?q=Home](https://portal.SanBernardino.courts.ca.gov/?q=Home)) and entering the Case Number for the Action, Case No. CIVRS2401966.

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

Class Counsel:

Joshua S. Falakassa josh@falakassalaw.com FALAKASSA LAW, P.C. 1901 Avenue of the Stars, Suite 520 Los Angeles, California 90067	Mehrdad Bokhour mehrdad@bokhourlaw.com BOKHOUR LAW GROUP, P.C. 1901 Avenue of the Stars, Suite 520 Los Angeles, California 90067 (310) 975-1493
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Settlement Administrator:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT “B”