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10

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **FOR THE COUNTY OF VENTURA**
13

14 ISIDRO ROMERO, an individual and on
behalf of all others similarly situated,

15 Plaintiff,
16

17 v.

18 HMM CONSTRUCTION, INC., a California
corporation; and DOES 1 through 100,
inclusive,
19

20 Defendants.
21

CASE NO. 2025CUOE041263

*[Assigned for all purposes to the Hon. Maureen M
Houska, Dept. 20]*

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE OF CLASS AND PAGA
ACTION**

Case Filed: March 26, 2025
Trial Date: None Set
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1 This Joint Stipulation of Settlement and Release of Class and PAGA Action (“Agreement” or
2 “Settlement Agreement”) is made and entered into by and between Plaintiff Isidro Romero (“Plaintiff”
3 or “Class Representative”), as an individual and on behalf of all others similarly situated, and Defendant
4 HMM Construction, Inc. (“Defendants”). Plaintiff and Defendants may be referred to herein as the
5 “Parties,” singularly as a “Party,” or by their designated names.

6 This Agreement is subject to the approval of the Court, pursuant to California Rules of Court,
7 Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to consummate settlement of
8 the Action on a class-wide basis subject to the following terms and conditions.

9 This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and the Aggrieved
10 Employees, on the one hand, and Defendants, on the other hand, subject to the terms and conditions
11 hereof and the approval of the Court.

12 RECITALS

13 1. Plaintiff Isidro Romero filed a Class Action Complaint on March 26, 2025 against
14 Defendants in the Ventura County Superior Court. Plaintiff’s lawsuit, entitled *Romero v. HMM*
15 *Construction, Inc., et al.* Case Number No. 2025CUOE041263 (“Action”), sets forth the following class-
16 wide causes of action: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure
17 to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage
18 statement violations; (7) failure to pay timely wages; (8) failure to indemnify; (9) violation of Labor
19 Code §227.3; (10) PAGA Penalties; and (11) unfair competition.

20 2. Defendants deny any liability or wrongdoing of any kind associated with the claims
21 alleged in the Action under state or federal law and further deny that, for any purpose other than settling
22 the Action, this Action is appropriate for class treatment. Defendants contend, among other things, that
23 they have complied at all times with the California Labor Code, the California Business & Professions
24 Code, the applicable IWC Wage Orders, and all other applicable California and federal law.
25 Nonetheless, Defendants have concluded that further litigation would be protracted and expensive and
26 would also divert Defendants’ resources. Defendants have taken into account the uncertainty and risks
27 inherent in litigation. Defendants have therefore concluded that it is desirable that the Litigation be
28 fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

1 3. Notwithstanding the foregoing and in the interest of avoiding further litigation, the
2 Parties desire to fully and finally settle all actual or potential class, and PAGA claims as pleaded in the
3 operative Complaint or that could have been pleaded in the operative Complaint and this Action.

4 4. This Settlement Agreement is made and entered into by and between Plaintiff
5 individually and on behalf of all other allegedly similarly situated and Aggrieved Employees and
6 Settlement Class Members on the one hand, and Defendants on the other hand. This Settlement
7 Agreement is subject to the terms and conditions hereof, as well as the Court's approval. The Parties
8 expressly acknowledge that this Agreement is entered into solely for the purpose of compromising
9 disputed claims and that nothing herein is an admission of any liability or wrongdoing by Defendants.
10 If, for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the
11 Parties shall be returned to their original respective positions.

12 5. The Parties agree to abide by the terms of the Settlement Agreement in good faith and to
13 support the Settlement Agreement fully and to use their best efforts to defend this Settlement Agreement
14 from any legal challenge, whether by appeal or collateral attack.

15 6. On November 6, 2025, the Parties participated in a full-day mediation before Lynn Frank
16 (the "Mediator"), a well-respected mediator in the field of employment law and wage-and-hour class
17 actions. At the mediation, the Parties agreed to the principal terms of a class action and PAGA
18 settlement. Thereafter, around November 6, 2025, the Parties entered and executed a Class
19 Action/Representative Action Memorandum of Understanding ("MOU") setting forth those terms.

20 7. The settlement discussions before, during, and after mediation were conducted at arm's
21 length and the settlement of the Action is the result of an informed and detailed analysis of Defendants'
22 potential liability in relation to the costs and risks associated with continued litigation and potential
23 appeals.

24 8. Class Counsel conducted a significant investigation during the prosecution of the Action.
25 This investigation included, among other things, (a) numerous telephonic conferences with Plaintiff; (b)
26 inspection and analysis of numerous payroll and policy documents and other information produced by
27 Plaintiff and Defendants; (c) analysis of the legal positions taken by Defendants; (d) investigation into
28 the viability of class treatment of the claims asserted in the Action; (e) analysis of potential class-wide

1 damages, including information sufficient to understand Defendants' potential defenses to Plaintiff's
2 claims; (f) research of the applicable law with respect to the claims asserted in the Action and the
3 potential defenses thereto; (g) assembling and analyzing of data for calculating damages; (h) conducted
4 telephonic conferences with potential witnesses and obtained declarations from Class Members, and (i)
5 hired the services of an expert to analyse and prepare Defendants' exposure.

6 9. The extensive informal discovery conducted in this matter, as well as discussions
7 between counsel, have been adequate to give the Class Representative and Class Counsel a sound
8 understanding of the merits of their positions and to evaluate the risks of continued litigation and the
9 value of the Settlement Class's claims. The informal discovery and investigation conducted in this
10 Action and the information exchanged by the Parties through discovery and settlement discussions are
11 sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues
12 on a fair and equitable basis.

13 10. Plaintiff and Class Counsel believe that the claims, causes of action, allegations, and
14 contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and
15 acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action
16 against Defendants through trial and appeals. Class Counsel has taken into account: 1) the uncertain
17 outcome of the litigation; 2) the risk of continued litigation in complex actions such as this lawsuit; 3)
18 the difficulties and delays inherent in such litigation; and 4) the potential risk of trying the claims of the
19 class. Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the
20 claims alleged in the Action and litigation of those claims on a class-wide basis.

21 11. Class Counsel believes that the Settlement set forth in this Settlement Agreement confers
22 substantial benefits upon Plaintiff and the Class Members, and that an independent review of this
23 Settlement Agreement by the Court in the approval process will confirm this conclusion. Based on their
24 own independent investigation and evaluation, Class Counsel has determined that the Settlement set
25 forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

26 12. Based on the data, testimony, and documents produced during discovery and in response
27 to a Labor Code sections 226 and 1198.5 records request, Class Counsel's own independent
28 investigation and evaluation, and the Mediator's efforts, Class Counsel believes that Plaintiff's

1 settlement with Defendants for the consideration provided and on the terms set forth in this Settlement
2 Agreement is fair, reasonable, and adequate, and is in the best interest of the Class Members in light of
3 all known facts and circumstances, including the risk of significant delay and uncertainty associated
4 with litigation, various defenses asserted by Defendants, the contested legal and factual issues involved,
5 and potential appellate issues.

6 13. It is also the desire of the Parties to fully, finally and forever settle, compromise, and
7 discharge all disputes and claims that exist on behalf of the Plaintiff in his individual capacity, and the
8 Plaintiff agrees to execute a general release, including a Section 1542 waiver.

9 **DEFINITIONS**

10 The following definitions are applicable to this Settlement Agreement. Definitions contained
11 elsewhere in this Settlement Agreement will also be effective:

12 1. “**Action**” means *Romero v. HMM Construction, Inc., et al.* Case Number No.
13 2025CUOE041263.

14 2. “**Class Counsel’s Fees and Costs**” means attorneys’ fees agreed upon by the Parties and
15 approved by the Court for Class Counsel’s litigation and resolution of this Action. Class Counsel’s Fees
16 and Costs shall include all costs incurred and to be incurred by Class Counsel in the Action, including,
17 but not limited to, costs associated with documenting the Settlement, securing the Court’s approval of
18 the Settlement, responding to any objections to the settlement and appeals arising therefrom,
19 administering the Settlement, and obtaining entry of a Judgment terminating this Action, and expenses
20 for any experts. Class Counsel will request attorneys’ fees not in excess of one-third of the Maximum
21 Settlement Amount, or Two Hundred Thousand Dollars and Zero Cents (\$200,000.00). The Class
22 Counsel’s Fees and Costs will also mean and include the additional reimbursement of Class Counsel’s
23 actual reasonable costs incurred in connection with Class Counsel’s litigation and settlement of the
24 Action, up to Twenty Thousand Dollars and Zero Cents (\$20,000.00), subject to the Court’s approval.
25 Defendants agree not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth
26 above.

27 3. “**Settlement Administrator**” means a third-party class action settlement claims
28 administrator selected by the Parties and approved by the Court for purposes of administering this

Settlement. The Parties each represent that they will not select a Settlement Administrator in which either Party has any financial interest or other relationship that could create a conflict of interest.

4. **“Settlement Administration Costs”** means the costs payable from the Maximum Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount and shall not exceed \$10,000.

5. **“Class Counsel”** means Bardia A. Akhavan of Akhavan & Associates.

6. **“Class List”** means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include, to the extent in the possession of Defendants or their agents, Class Members’ names; last-known addresses; last-known telephone numbers; last-known email address; social security numbers; start dates of employment; end dates of employment; number of weeks worked by each Class Member during the Class Period; and the total number of work weeks of all Class Members during the Class Period.

7. **“Class Member(s)”** or **“Settlement Class”** or the **“Class”** refer to *“All non-exempt, hourly employees who worked at least one 3.5 hour shift in California for Defendant during the Release Period.”*

8. **“Aggrieved Employees”** means those Class Members who worked during the period of December 4, 2023 through 60 calendar days from the execution of the MOU.

9. **“Class Period”** means the period from March 26, 2021 through 60 calendar days from the execution of the MOU.

10. **“Class Representative”** or **“Plaintiff”** means Plaintiff Isidro Romero who serves as representative for the Settlement Class.

11. **“Class Representative Enhancement Payment”** means the amount to be paid to

Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf of Class Members and negotiating the Settlement. Defendants agree not to dispute that the Class Representative will be paid, subject to Court approval, up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) from the Maximum Settlement Amount for his services on behalf of the class, subject to the Court granting Final Approval of this Settlement Agreement and subject to the exhaustion of any and all appeals. Should the Court reduce the Class Representative Enhancement Payment, any such reduction shall revert to the Net Settlement distributed to Participating Class Members.

12. **“Court”** means the Superior Court of California, County of Ventura.

13. **“Defendant”** means HMM Construction, Inc.

14. **“Effective Date”** means the date on which the settlement embodied in this Settlement Agreement shall become effective and is the date after all of the following events have occurred: (i) the long-form Stipulation of Settlement has been executed by Plaintiff and Defendant; (ii) the Court has given Preliminary Approval to the Settlement, including approving a provisional Settlement Class; (iii) notice has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of the Settlement or to opt-out of the Settlement; and (iv) *either* (1) the Court has held a formal fairness hearing and, having heard no objections to the Settlement, has given Final Approval to the Settlement, including entering a final order and judgment certifying the Class and approving this Settlement Agreement; or (2) in the event there are oral or written objections filed prior to or at the formal fairness hearing which are not later withdrawn or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval of the Settlement have elapsed without any appeal, writ, or other appellate proceeding having been filed; or (b) five (5) business days have elapsed following the final and conclusive dismissal or resolution of any appeal, writ, or other appellate proceeding opposing the Settlement, with no right to pursue further appellate remedies or relief.

15. **“Individual Settlement Payment”** means each Participating Class Member’s share of the Net Settlement Amount, to be distributed to the Class Members who do not submit a valid Request for Exclusion, to be paid without the need to submit a claim.

16. **“Labor and Workforce Development Agency Payment”** means the amount that the

Parties have agreed that Defendants will pay in connection with Plaintiff's Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.* ("PAGA")) cause of action. The Parties have agreed that Thirty Thousand Dollars and Zero Cents (\$30,000.00) of the Maximum Settlement Amount will be allocated to the resolution of the Aggrieved Employees' claims arising under PAGA ("PAGA Settlement Amount"). Pursuant to PAGA, Sixty-Five Percent (65%), or Nineteen Thousand Five Hundred Dollars and Zero Cents (\$19,500.00), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("LWDA"), and Thirty-Five Percent (35%), or Ten Thousand Five Hundred Dollars and Zero Cents (\$10,500.00), of the PAGA Settlement Amount will be paid to the Class Members, as allegedly Aggrieved Employees, as part of the Net Settlement Amount.

17. **"Maximum Settlement Amount"** means the maximum settlement amount of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) to be paid by Defendants in full satisfaction of all claims arising from the Action. The Maximum Settlement Amount shall include all attorneys' fees, costs of litigation, cost of administration, employee side employment taxes, the PAGA Civil Penalties, class representative enhancement, and interest. Defendants agree that it is responsible for employer-side payroll taxes, which are not included in the Maximum Settlement Amount and are to be paid in addition to the Maximum Settlement Amount. The Maximum Settlement Amount is non-reversionary.

18. **"Net Settlement Amount"** means the portion of the Maximum Settlement Amount remaining after attorneys' fees, litigation costs, payment of 65% of PAGA Civil Penalties to the State of California's Labor Workforce Development Agency, class administration costs, and the enhancement/general release payments to the class representative.

19. **"Notice of Objection"** means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, telephone number, and the last four digits of the objector's social security number, (b) the dates the objector was employed by Defendants in California or worked for Defendants in California through a staffing agency, (c) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other

documents upon which the objection is based.

20. “**Notice Packet**” or “**Notice**” means the Notice of Class Action Settlement and Share Form, substantially in the form attached as **Exhibit A**.

21. “**PAGA Released Claims**” means those claims for civil penalties asserted in the Complaint or Plaintiff’s LWDA letter under the Private Attorneys General Act, Labor Code section 2698 et seq. (“PAGA”) based on predicate violations of California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 227.3, 227.7, 233, 245, 246, 248, 248.2, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1401, 2802, and 2698, et seq., California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, et seq., during the PAGA Release Period.

22. “**PAGA Release Period**” shall run from December 4, 2023 through 60 calendar days from the execution of the MOU.

23. “**Parties**” means Plaintiff and Defendants, collectively.

24. “**Participating Class Members**” means all Class Members who do not submit valid and timely Requests for Exclusion.

25. “**Preliminary Approval**” means the Court order granting preliminary approval of the Settlement Agreement, in substantively the same form as **Exhibit B**.

26. “**Final Approval**” means the Court granting final approval of this Settlement Agreement, in substantively the same form as **Exhibit C**.

27. “**Released Claims**” means those claims made in the Complaint or that reasonably could have been alleged based on the facts and allegations contained in the operative complaint and LWDA letters, including but not limited to California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 227.3, 227.7, 233, 245, 246, 248, 248.2, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1401, 2802, and 2698, et seq., California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, et seq., Business and Professions Code sections 17200, et seq., and California Code of Civil Procedure section 1021.5 during the Release Period.

28. “**Release Period**” means the period from March 26, 2021 through the date of the Court’s Preliminary Approval of the Settlement.

1 29. **“Released Parties”** shall mean (i) Defendants; (ii) each of Defendants’ respective past,
2 present and future parents, subsidiaries, and affiliates including, without limitation, any corporation,
3 limited liability company, or partnership; (iii) the past, present and future shareholders, directors,
4 officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,
5 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,
6 successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly
7 liable with any of the foregoing, including, but not limited to, temporary staffing agencies.

8 30. **“Request for Exclusion”** means a timely letter submitted by a Class Member indicating
9 a request to be excluded from the Settlement. The Request for Exclusion must: (a) be signed by the
10 Class Member; (b) contain the name, address, telephone number, and the last four digits of the Social
11 Security Number of the Class Member requesting exclusion; (c) clearly state that the Class Member
12 received the Notice, does not wish to participate in the Settlement, and wants to be excluded from the
13 Settlement; (d) be returned by first class mail or equivalent to the Settlement Administrator at the
14 specified address; and, (e) be postmarked on or before the Response Deadline. The date of the postmark
15 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
16 has been timely submitted. A Class Member who does not request exclusion from the Settlement will
17 be deemed a Participating Class Member and will be bound by all terms of the Settlement, if the
18 Settlement is granted Final Approval by the Court.

19 31. **“Response Deadline”** means the deadline by which Class Members must postmark to
20 the Settlement Administrator valid Share Forms, Requests for Exclusion, or file and serve objections to
21 the Settlement. The Response Deadline will be thirty (30) calendar days from the initial mailing of the
22 Notice Packet by the Settlement Administrator, unless the 30th day falls on a Sunday or federal holiday,
23 in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service
24 is open. The Response Deadline for Objections or Requests for Exclusion will be extended fifteen (15)
25 calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator,
26 unless the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will be
27 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be
28 extended by express agreement between Class Counsel and Defendants. Under no circumstances,

1 however, will the Settlement Administrator have the authority to extend the deadline for Class Members
2 to submit a Request for Exclusion, or objection to the Settlement other than as provided herein.

3 32. “**Settlement**” means the agreement to resolve the Action on terms and conditions as set
4 forth in this Settlement Agreement.

5 33. “**Workweeks**” means the number of weeks worked by each Class Member as a non-
6 exempt employee during the Class Period. Workweeks are determined by calculating the number of
7 days each Class Member worked during the Class Period and dividing by seven (7). Partial workweeks
8 will not be counted, meaning incomplete workweeks will be rounded down; however, a Class Member
9 who worked only one day during the Class Period will be credited with having worked one Workweek
10 for purposes of the Settlement.

11 **CLASS CERTIFICATION FOR PURPOSES OF SETTLEMENT ONLY**

12 34. Solely purposes of settling the Action, the Parties stipulate and agree that the requisites
13 for establishing class certification with respect to the Settlement Class have been met and are met. If the
14 Settlement is not approved by the Court, Defendant retains all rights and opportunities to contest class
15 certification on all issues in the Action. More specifically, the Parties stipulate and agree for purposes
16 of this Settlement only that:

17 a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join
18 all Class Members;

19 b. There are common questions of law and fact including, but not limited to, the following:
20 i. Whether Defendant had a common policy and/or practice of rounding
21 non-exempt employees’ time records to the detriment of those employees;

22 ii. Whether Defendant unlawfully and/or willfully failed to compensate
23 Plaintiff and Class Members at a minimum wage for all hours worked as a result of its rounding
24 policies;

25 iii. Whether Defendant unlawfully and/or willfully failed to compensate
26 Plaintiff and Class Members required overtime wages as a result of its rounding policies;

27 iv. Whether Defendant’s auto-deduct policy and practice unlawfully
28 deprives employees of wages earned;

1 v. Whether Defendant had a common policy and/or practice of depriving
2 Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;

3 vi. Whether Defendant unlawfully and/or willfully deprived Plaintiff and
4 Class Members of compliant, off-duty meal and/or rest periods;

5 vii. Whether Defendant paid Plaintiff and Class Members all required
6 premium wages for non-compliant meal and/or rest periods;

7 viii. Whether Defendant had a common policy and/or practice of failing to
8 reimburse necessary business expenses to the detriment of employees;

9 ix. Whether Defendant unlawfully and/or willfully failed to reimburse
10 necessary business expenses to Plaintiff and Class Members as a result of its policies;

11 x. Whether Defendant had a common policy and/or practice of failing to
12 maintain accurate payroll records in the State of California;

13 xi. Whether Defendant unlawfully and/or willfully failed to maintain
14 accurate payroll records in the State of California;

15 xii. Whether Defendant had a policy and/or practice of failing to provide
16 accurate wage statements reflecting hours worked and wages earned to Plaintiff and Class Members;

17 xiii. Whether Defendants unlawfully and/or willfully failed to provide
18 accurate wage statements reflecting hours worked and wages earned to Plaintiff and Class Members;

19 xiv. Whether Defendant had a policy and/or practice of failing to timely pay
20 wages during employment in violation of Labor Code §§ 204, 210.

21 xv. Whether Defendant had a policy and/or practice of failing to pay
22 Plaintiff and Class Members final wages owed upon termination;

23 xvi. Whether Defendant unlawfully and/or willfully failed to promptly pay
24 compensation due to Plaintiff and Class Members upon termination of employment in violation of
25 Labor Code §§ 201, 202, and 203;

26 xvii. Whether Plaintiff and Class Members sustained damages as a result of
27 any of the aforementioned violations, and, if so, the proper measure of those damages, including
28 interest, penalties, costs, attorneys' fees, and equitable relief;

xviii. Whether Defendants engaged in unlawful and unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*

c. That the Class Representative's claims are typical of the claims of the members of the Settlement Class.

d. That the Class Representative and Class Counsel will fairly and adequately protect the interests of the Settlement Class.

e. That the prosecution of separate actions by individual members of the Settlement Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.

f. That questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.

g. The Parties agree that this stipulation regarding class certification is for the sole purpose of facilitating settlement approval. Nothing herein is intended to disturb, challenge, or later the Court's prior Order granting class certification.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

35. Funding of the Maximum Settlement Amount. Defendants shall pay the Gross Settlement Sum in the amount of \$600,000.00 according to the following payment schedule:

a. Within 90 days of November 6, 2025 (i.e., no later than February 4, 2026), Defendant shall deposit into a Qualified Settlement Fund ("QSF") established by the Settlement administrator, the sum of \$28,572.00 (representing 1/21 of the Gross Settlement Sum) (the "Initial Payment").

b. Thereafter, Defendants shall deposit into the QSF the sum of \$28,572.00 on the fourth (4th) day of each successive month until the Gross Settlement Sum is paid in full, such that the entire Gross Settlement Sum is fully funded within twenty-four (24) months of November 6, 2025 (i.e., no later than November 8, 2027).

c. Defendant may fund the QSF in advance of the due date of each payment, without penalty.

36. Class Counsel's Fees and Costs. Defendants agree not to oppose or impede any application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-third of the Maximum Settlement Amount, i.e., \$200,000.00, plus the reimbursement of actual reasonable costs and expenses incurred in connection with Class Counsel's litigation and settlement of the Action, up to \$20,000, both of which will be paid from the Maximum Settlement Amount.

37. Class Representative Enhancement Payment. In exchange for a general release, and in recognition of his efforts and work in prosecuting the Action on behalf of Class Members and negotiating the Settlement, Defendants agree not to oppose or impede any application or motion for a Class Representative Enhancement Payment of up to a total of \$7,500.00 to the Class Representative, subject to the Court's approval. The Class Representative Enhancement Payment, which will be paid from the Maximum Settlement Amount, is in addition to the payment to which he is entitled as Settlement Class Member. The Class Representative agrees to execute a general release of all claims, including a waiver of California Civil Code § 1542, against Defendants in exchange for his Enhancement Payment, which this Stipulation includes. The Settlement Administrator will issue an IRS Form 1099 for the Enhancement Payment to the Class Representative, and the Class Representative shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amount received. Should the Court reduce the Class Representative Enhancement Payment, any such reduction shall revert to the Net Settlement Amount distributed to Participating Class Members.

38. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement Amount, which is capped at no more than \$10,000.00. These costs, which will be paid from the Maximum Settlement Amount, will include, for instance, costs incurred for the required tax reporting on the Individual Settlement Payments, the issuing of W-2 and 1099 IRS Forms, distributing the Notice Packet, calculating Class Members' workweeks, and calculating and distributing the Maximum Settlement Amount and Class Counsel's Fees and Costs, and providing necessary reports and

1 declarations.

2 39. Labor and Workforce Development Agency Payment. Subject to Court approval, the
3 Parties agree that \$30,000.00 of the Maximum Settlement Amount will be designated for satisfaction of
4 Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, Sixty-Five Percent (65%), or
5 Nineteen Thousand Five Hundred Dollars and Zero Cents (\$19,500.00), will be paid to the LWDA, and
6 Thirty-Five Percent (35%), or Ten Thousand Five Hundred Dollars and Zero Cents (\$10,500.00), will
7 be distributed to the Aggrieved Employees as part of the Net Settlement Amount. Class Counsel shall
8 be responsible for giving any required notice of this Settlement to the LWDA.

9 40. Net Settlement Amount. "Net Settlement Amount" shall mean the Maximum Settlement
10 Amount *minus* attorneys' fees. Litigation costs, payment of 65% of PAGA Civil Penalties to the State
11 of California's Labor Workforce Development Agency, class administration costs, and the
12 enhancement/general release payments to the class representative.

13 41. Settlement Administration Cost Decreases. Any portion of the estimated or designated
14 Settlement Administration Costs which are not required to fulfill the total Settlement Administration
15 Costs will become part of the Net Settlement Amount.

16 42. Individual Settlement Payment Calculations. Individual Settlement Payments will be
17 calculated and apportioned from the Net Settlement Amount based on the Workweeks a Participating
18 Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments
19 will be made as follows:

20 a. The Settlement Administrator will calculate the number of Workweeks per
21 Participating Class Member during the Class Period based on records in Defendants' possession,
22 custody, or control.¹ Workweeks are determined by calculating the number of days each Class
23 Member worked during the Class Period, dividing by seven (7). Partial workweeks will not be
24 counted, meaning incomplete workweeks will be rounded down; however, a Class Member who
25

26 ¹ Defendants' Workweek data will be presumed to be correct unless a particular Class Member
27 proves otherwise to the Settlement Administrator by credible written evidence (including copies of pay
28 stubs or other records). All Workweek disputes will be resolved and decided by the Settlement
Administrator in consultation with Class Counsel and counsel for Defendants. The Settlement
Administrator's decision on all Workweek disputes will be final and non-appealable.

1 worked only one day during the Class Period will be credited with having worked one Workweek
2 for purposes of the Settlement.

3 b. The Settlement Administrator will calculate the total Workweeks for all
4 Settlement Class Members by adding the number of Workweeks worked by each Settlement
5 Class Member during the Class Period.

6 c. The respective Workweeks for each Settlement Class Member will be divided by
7 the total Workweeks for each Settlement Class Member, resulting in the Payment Ratio for each
8 Settlement Class Member.

9 d. Each Settlement Class Member's Payment Ratio will then be multiplied by the
10 Net Settlement Amount to calculate each Settlement Class Member's estimated Individual
11 Settlement Payments.

12 e. Using the Class Data, the Settlement Administrator will calculate the total number
13 of pay periods in the PAGA Period and will divide each Aggrieved Employees' individual
14 number of eligible pay periods in the PAGA Period to determine their pro rata portion of the
15 portion of the PAGA payment allocated to Aggrieved Employees. Partial pay periods will not
16 be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved
17 Employee who worked only one day during the PAGA Period will be credited with having
18 worked one pay period for purposes of the Settlement.

19 43. Limited Confidentiality. The Parties agree not to issue press releases, communicate with,
20 or respond to, any media or publication entities concerning the Settlement, including the fact of the
21 Settlement, its terms or contents, and the negotiations underlying the Settlement prior to final approval
22 and Entry of Judgment, except as required by law or as shall be contractually required to effectuate the
23 terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Class Counsel from
24 discussing the Settlement, the fact of Settlement, and its terms and conditions: (i) with Class Members;
25 (ii) in court filings, including in their respective firm resumes; and/or (iii) in all necessary motions and
26 supporting memoranda related to preliminary and final approval of the Settlement or for other class
27 action settlements. This provision also does not limit Class Counsel (i) from complying with ethical
28 obligations; or (ii) from posting a neutral description of publicly available facts regarding the

1 Settlement, provided that such posting does not expressly identify Defendant by name. Class Counsel
2 agrees not to publicize the Settlement in any manner that would identify Defendants as the defendants
3 in this Action.

4 44. Class Member Communications. Defendants will instruct Defendants' officers, directors,
5 and exempt managers that that, should they be contacted by Class Members or persons who believe they
6 may be Class Members in relation to this Agreement, such officers, directors, and exempt managers
7 should make no comment except by directing the employees to Defendants' Human Resources
8 Department, who will be instructed to direct such Class Members to the Settlement Administrator and
9 the Class Notice, or Class Counsel, and to provide such Class Members with contact information for the
10 Settlement Administrator and Class Counsel. Defendants agree not to discourage or prevent Class
11 Members from exercising any of their rights or obligations pursuant to this Agreement. At no time will
12 any of the Parties or their counsel take any action to encourage, support, require, or induce Class
13 Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal from the Order
14 and Judgment.

15 45. Settlement Awards Do Not Trigger Additional Benefits. All Individual Settlement
16 Payments to Participating Class Members shall be deemed to be paid to such Participating Class
17 Members solely in the year in which such payments are received by the Participating Class Members.
18 It is expressly understood and agreed that the receipt of such Individual Settlement Payments will not
19 entitle any Participating Class Member to additional compensation or benefits under any company
20 bonus, commission, or other compensation or benefit plan or agreement in place during the period
21 covered by the Settlement, nor will it entitle any Participating Class Member to any increased retirement,
22 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of the Parties to
23 this Settlement that the Individual Settlement Payments provided for in this Settlement are the sole
24 payments to be made by Defendants to the Participating Class Members, and that the Participating Class
25 Members are not entitled to any new or additional compensation or benefits as a result of having
26 received the Individual Settlement Payments (notwithstanding any contrary language or agreement in
27 any benefit or compensation plan document that might have been in effect during the period covered by
28 this Settlement).

1 46. Settlement Administration Process. The Parties agree to cooperate in the administration
2 of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses
3 incurred in administration of the Settlement.

4 47. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval,
5 Defendants will provide the Class List to the Settlement Administrator.

6 48. Notice by First-Class U.S. Mail. Within ten (10) calendar days following receipt of the
7 Class List, the Settlement Administrator will mail a Notice Packet, substantially in the form attached
8 hereto as **Exhibit A**, to all Class Members via regular First-Class U.S. Mail, using the most current,
9 known mailing addresses identified in the Class List. Each Notice Packet will provide: (a) information
10 regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement
11 Class definition; (d) each Class Member's estimated Individual Settlement Payment and the formula for
12 calculating Individual Settlement Payments; (e) the dates which comprise the Class Period; (f)
13 instructions on how to submit valid Requests for Exclusion or objections; (g) the deadlines by which
14 the Class Member must fax or postmark Requests for Exclusions or file and serve objections to the
15 Settlement; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval
16 Hearing.

17 49. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
18 Administrator will perform a search based on the National Change of Address Database for information
19 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
20 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly
21 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
22 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address
23 is provided, the Settlement Administrator will promptly attempt to determine the correct address using
24 a skip-trace, or other search using the name, address and/or Social Security number of the Class Member
25 involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed
26 Notice Packet, whether by skip-trace or by request, will have between the later of: (a) an additional
27 fifteen (15) calendar days; or (b) the Response Deadline to fax or postmark a Request for Exclusion, or
28 file and serve an objection to the Settlement.

1 50. The Settlement Administrator shall exercise its best judgment to determine the current
2 mailing address for each Class Member. The address identified by the Settlement Administrator as the
3 current mailing address shall be presumed to be the best mailing address for each Class Member.

4 51. Disputed Information on Notice Packets. Class Members will have an opportunity to
5 dispute the information provided in their Notice Packets. To the extent Class Members dispute the
6 number of weeks he/she worked during the Class Period, or the amount of their Individual Settlement
7 Payment, Class Members may produce evidence to the Settlement Administrator showing that such
8 information is inaccurate. Any disputes, along with supporting documentation, must be postmarked on
9 or before the Response Deadline. Absent evidence rebutting Defendants' records, Defendants' records
10 will be presumed determinative. However, if a Class Member produces evidence to the contrary, the
11 Settlement Administrator will evaluate the evidence submitted by the Class Member in consultation
12 with Class Counsel and counsel for Defendants and will make the final decision as to the Individual
13 Settlement Payment to which the Class Member may be entitled with input from Class and Defense
14 Counsel. This determination shall be binding on the Class Member.

15 52. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
16 Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement
17 Administrator within the Response Deadline. The date of the postmark on the return mailing envelope
18 will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.
19 All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly
20 to Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely submitted. Any
21 Class Member who submits a Request for Exclusion shall be prohibited from objecting to the Settlement
22 Agreement.

23 53. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
24 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
25 Request for Exclusion will be bound by all of the terms of the Settlement Agreement, including those
26 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants
27 Final Approval to the Settlement.

28 54. Objection Procedures. To object to the Settlement Agreement, a Class Member must file

1 a valid Notice of Objection with the Settlement Administrator on or before the Response Deadline. The
2 Settlement Administrator shall serve all objections as received on Class Counsel and Defendants'
3 Counsel. It shall not be a breach of this Agreement for Class Counsel to file the Objections with the
4 Court per the Court's instruction, local rules, or as otherwise required for approval of this Settlement
5 Agreement. The Notice of Objection shall be signed by the Class Member and contain all information
6 required by this Settlement Agreement. The postmark date of the filing and service will be deemed the
7 exclusive means for determining that the Notice of Objection is timely. Class Members may also raise
8 objections orally at the Final Fairness and Approval hearing, whether or not they previously submitted
9 a valid Notice of Objection. At no time will any of the Parties or their counsel take any action to
10 encourage, support, or induce Class Members to object to the Settlement Agreement, opt-out from the
11 Settlement, or appeal from the Order and Judgment. Class Counsel will not represent any Class
12 Members with respect to any such objections to this Settlement.

13 55. Certification Reports Regarding Individual Settlement Payment Calculations. The
14 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report which
15 certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; and (b)
16 whether any Class Member has submitted a challenge to any information contained in their Claim Form
17 or Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties
18 any updated reports regarding the administration of the Settlement Agreement as needed or requested.
19 No later than 30 days prior to the deadline for Class Counsel to file its motion in support of the Final
20 Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel
21 and Defense Counsel a declaration with summary information of the Notice process, including but not
22 limited to: (a) the total amount of final Individual Settlement Payments of each Settlement Class
23 Member; (b) the number of Settlement Class Members to receive such payments; (c) the final number
24 of requests for exclusion/Opt-Outs and objections; (d) the Settlement Administrator's qualifications for
25 administration; and (e) an explanation of the steps taken to implement the Notice process as set forth in
26 this Agreement.

27 56. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to
28 Participating Class Members will be negotiable for 120 calendar days from the date the check was issued

(the “Void Date”). 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 Participating Class Members.

57. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

58. Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: 20% wages and 80% penalties. The amount of the individual settlement payments will be determined pro rata based on the total number of workweeks worked by the class members. The Settlement Administrator will be responsible for issuing the W-2 forms for amounts deemed “wages” and 1099 forms for the portions allocated to penalties and interests. PAGA penalties will be allocated as 100% penalties.

59. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement. Within five (5) business days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendants.

60. Tax Liability. The Parties acknowledge that no tax advice has been offered or given by any other Party, their attorneys, agents, or any other representatives, in the course of these negotiations, and that each Party is relying upon the advice of his/her/its own tax consultant with regard to any tax consequences that may arise as a result of the execution of this Agreement. The Class Representatives and Class Counsel acknowledge that they may be required to submit a Form W-9, and the Class Representative, Class Members, and Class Counsel acknowledge that the Settlement Administrator may be required to issue a Form 1099 or other tax form reporting the consideration flowing to the Class Representative, Class Members, and Class Counsel under this agreement to the Internal Revenue

Services and/or other taxing authority. Nothing herein shall obligate the Class Representative, Class Members, and Class Counsel to pay, indemnify, or otherwise assume responsibility for any taxes that would be owed by Defendants in the first instance or as a result of any re-classification of the treatment of the payments, such as, for example, employer-side payroll contributions.

61. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

62. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,

transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

63. Release of Claims by Class Members. Upon the Effective Date, the Settlement Class and each Participating Class Member, fully releases and discharges, to the maximum extent permitted by the law, the Released Parties for the Released Claims for the Class Period. Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that their Individual Settlement Payment constitutes payment of all sums allegedly due to them. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payment.

64. Plaintiff's Released Claims. In addition to the Participating Class Members' Released Claims described above, in exchange for the consideration recited in this Stipulation, including but not limited to the Class Representative Enhancement Award, Plaintiff Isidro Romero releases, acquits, and discharges and covenants not to sue any of the Released Parties for any claim, whether known or unknown, which he or it has ever had, or hereafter may claim to have, arising on or before the date he signs this Stipulation, including without limitation to, any claims relating to or arising out of any aspect of his relationship with Defendants, or the termination of that relationship, including any claims for unlawful retaliation, any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, *et seq.*, or any state, county, or city law or ordinance regarding wages or compensation; any claims for employee benefits including without limitation, any claims under the Employment Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county, or city law or ordinance regarding employment discrimination. Plaintiff acknowledges and agrees that the foregoing general release is given in exchange for the consideration provided to him under this Stipulation by Defendants. However, this release shall not apply to any claim for workers' compensation benefits, unemployment

1 insurance benefits, pension or retirement benefits, or any other claim or right that as a matter of law
2 cannot be waived or released.

3 Plaintiff expressly waives any rights or benefits available to him under the provisions of Section
4 1542 of the California Civil Code, which provides as follows:

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

8 Plaintiff understands fully the statutory language of Civil Code Section 1542 and, with this
9 understanding, nevertheless elects to, and does, assume all risks for claims that have arisen, whether
10 known or unknown, which he had, or hereafter may claim to have, arising on or before the date of his
11 signature to this Stipulation, and specifically waives all rights he may have under the California Civil
12 Code section 1542.

13 65. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this
14 Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and
15 determination by the Court as to the fairness, adequacy, and reasonableness of the Settlement
16 Agreement. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court
17 for the entry of an order for:

18 a. Scheduling a fairness hearing on the question of whether the proposed Settlement,
19 including but not limited to, payment of Class Counsel's fees and costs, and the Class Representative
20 Enhancement Payment, should be finally approved as fair, reasonable, and adequate as to the members
21 of the Settlement Class;

22 b. Approving, as to form and content, the proposed Notice;

23 c. Approving the manner and method for Class Members to request exclusion from the
24 Settlement as contained herein and within the Notice;

25 d. Directing the mailing of the Notice, by first class mail to the Class Members; and

26 e. Giving Preliminary Approval to Settlement subject to final review by the Court.

27 66. Duties of the Parties Following Preliminary Court Approval. Following Preliminary
28 Approval by the Court of the Settlement provided for in this Settlement Agreement and Notice to the

Class, Class Counsel will submit a proposed final order of approval and judgment for:

- a. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- b. Approval of Class Counsel's application for an award of attorneys' fees and costs;
- c. Approval of the Class Representative Enhancement Payment to the Class Representative;
- d. Approval of the Settlement Administration Costs of the Settlement Administrator; and
- e. That judgment be entered in this Action.

67. Escalator Clause. Defendants have represented that there are 264 current and former non-exempt class members who worked during the Class Period of March 26, 2021 through the date of the Court's Preliminary Approval of the Settlement who worked a combined 12,713 workweeks during that period. Plaintiff has relied upon these material representations in entering into this Settlement. Should the total number of workweeks worked by Settlement Class Members exceed 12,713 by more than 10%, (i.e, if there are 13,984 or more workweeks), then Defendant will have the option to (a) pay an additional amount on a pro rata basis for any workweeks over 10% (i.e., if 11% over, then Defendant would pay an additional 1%) or (b) end the Release Period as of the date that the workweeks reached the 10% threshold such that this provision is not triggered. The workweek value shall be calculated by dividing the originally agreed-upon Settlement Amount of \$600,000.00 by 12,713 which amounts to a Pay Period Value of \$47.20. Thus, for example, should there be 15,000 Workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$47,955.20 ((15,000 Workweeks – 13,984 Workweeks) x \$47.20 per Workweek), unless Defendant elects to shorten the Class Period.

68. Adjustments to Components of Maximum Settlement Amount. This Agreement contemplates those future adjustments to the amounts of components of the Maximum Settlement Amount listed above may be necessary and/or may be ordered by the Court. Any such future adjustments shall be made only by written stipulation of the Parties or by an order of the Court. For the avoidance of doubt, this Paragraph does not apply to the Escalator Clause above, and modifications to this Settlement and the Notice shall be implemented upon the Escalator Clause triggering without the need for a written stipulation or Court Order.

69. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally

1 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
2 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
3 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
4 likewise be treated as void from the beginning. In such event, if the Court rejects the Settlement despite
5 the Parties' best efforts, Defendants shall be liable for all Settlement Administration costs incurred.

6 70. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request
7 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
8 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary
9 Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement
10 Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all
11 Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will
12 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
13 proposed Notice Packet; *i.e.*, the proposed Notice of Class Action Settlement document, attached as
14 **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary
15 Approval. Defendants agree not to oppose the Motion for Preliminary Approval.

16 71. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
17 deadlines for Class Members to submit Requests for Exclusion, or objections to the Settlement
18 Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be
19 conducted to determine the Final Approval of the Settlement Agreement along with the amounts
20 properly payable for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development
21 Agency Payment; (c) the Class Counsel's Fees and Costs; (d) the Class Representative Enhancement
22 Payment; (e) all Settlement Administration Costs; and (f) the Defendants' share of payroll taxes for
23 wages paid in connection with the Individual Settlement Payments. Class Counsel will be responsible
24 for drafting all documents necessary to obtain Final Approval, including responding to any objections
25 and appeals arising therefrom. Class Counsel will also draft the attorneys' fees and costs application to
26 be heard at the Final Approval hearing. Class Counsel agrees to provide drafts of all documents
27 necessary to obtain Final Approval to Defendants at least five (5) days prior to submitting the drafts to
28 the Court. Defendants agree not to oppose the Motion for Final Approval.

1 72. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein,
2 any Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order,
3 the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or the
4 Settlement Agreement as agreed does not become final because of appellate court action. The
5 Terminating Party shall give to all other Parties (through his/its counsel) written notice of his/its decision
6 to terminate this Agreement no later than ten (10) business days after receiving notice that one of the
7 enumerated events has occurred. Termination of this Agreement shall have the following effects:

8 a. The Settlement Agreement shall be terminated and shall have no force or effect, and no
9 Party shall be bound by any of its terms;

10 b. In the event the Settlement is terminated, Defendants shall have no obligation to make
11 any payments to any Party, Class Member or Class Counsel. The Terminating Party shall pay the
12 Settlement Administrator for services rendered up to the date the Settlement Administrator is notified
13 that the Settlement has been terminated;

14 c. The Preliminary Approval Order, Final Approval Order, and Judgment, including any
15 order of class certification, shall be vacated;

16 d. The Settlement Agreement and all negotiations, statements, and proceedings relating
17 thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to
18 their respective positions in the Action prior to the Settlement;

19 e. Neither this Stipulated Settlement, nor any ancillary documents, actions, statements, or
20 filings in furtherance of settlement (including all matters associated with the mediation) shall be
21 admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

22 73. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the
23 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment
24 pursuant to California Code of Civil Procedure section 664.6 to the Court for its approval. After entry
25 of the Judgment, the Court will have continuing jurisdiction for purposes of addressing: (a) the
26 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,
27 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this
28 Agreement.

1 74. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
2 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
3 Any Exhibits to this Agreement are an integral part of the Settlement.

4 75. Entire Agreement. This Settlement Agreement, the general release of all claims by the
5 Class Representative, and any attached Exhibits constitute the entirety of the Parties' settlement terms.
6 No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.
7 The Parties expressly recognize California Civil Code section 1625 and California Code of Civil
8 Procedure section 1856(a), which provide that a written agreement is to be construed according to its
9 terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such
10 extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this
11 Agreement.

12 76. Amendment or Modification. This Settlement Agreement may be amended or modified
13 only by a written instrument signed by the named Parties or their successors-in-interest.

14 77. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
15 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
16 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
17 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
18 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with
19 each other and use their best efforts to effectuate the implementation of the Settlement. If the Parties are
20 unable to reach agreement on the form or content of any document needed to implement the Settlement,
21 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
22 the Parties may seek the assistance of the Court to resolve such disagreement.

23 78. Signatories. It is agreed for the purposes of this Settlement Agreement only that because
24 the members of the Class are so numerous, it is impossible or impractical to have each member of the
25 Class execute this Settlement Agreement. The Notice, attached hereto as Exhibit A, will advise all Class
26 Members of the binding nature of the release, and the release shall have the same force and effect as if
27 this Settlement Agreement were executed by each member of the Class.

28 79. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,

and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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

81. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. The Agreement may be executed in one or more counterparts either by ink or electronic signature. All executed counterparts and each of them, including electronic, facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

82. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties further agree that they have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

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

84. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein. For good and valuable consideration, Plaintiff further agrees that he will not request to be excluded from the Settlement Agreement, nor object to any terms herein. Any such request for exclusion or objection by Plaintiff will be void and of no force or effect. Any efforts by Plaintiff to circumvent the terms of this paragraph will be void and of no force or effect.

85. Waiver of Certain Appeals. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Class Members who did not object to the Settlement as provided in this Agreement, agree to waive appeals and to stipulate to class certification for purposes of this Settlement only (and to the extent the Court has given final approval of the Settlement); except, however, that Plaintiff or Class Counsel may appeal any reduction in the

1 Class Counsel's Fees and Costs below the amount requested from the Court but must inform Defense
2 Counsel and the Class Administrator of any intent to appeal prior to the distribution of any funds from
3 the Class Administrator to any Settlement Class Members or any other Parties. If an objector appeals
4 the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such
5 time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not
6 affect the amount of the Net Settlement Amount. Any Party may terminate this Settlement or appeal any
7 Court order which is not in substantially the form submitted by the Parties.

8 86. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute
9 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In
10 entering into this Agreement, Defendants do not admit, and specifically deny, they have violated any
11 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
12 or any other applicable laws, regulations, or legal requirements; breached any contract; violated or
13 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
14 conduct with respect to Plaintiff, Class Members, and its employees. Neither this Agreement, nor any
15 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
16 admission or concession by Defendants of any such violations or failures to comply with any applicable
17 law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and
18 its terms and provisions shall not be offered or received as evidence in any action or proceeding to
19 establish any liability or admission on the part of Defendants or to establish the existence of any
20 condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable
21 law.

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

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

28 89. Enforcement Actions. In the event that one or more of the Parties institute any legal

1 action, motion, petition, or other proceeding against any other Party or Parties to enforce the provisions
2 of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
3 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and
4 costs, including expert witness fees incurred.

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

10 91. Representation By Counsel. The Parties acknowledge that they have been represented by
11 counsel throughout all negotiations that preceded the execution of this Agreement, and that this
12 Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further,
13 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

14 92. All Terms Subject to Final Court Approval. All amounts and procedures described in this
15 Settlement Agreement herein will be subject to the Court's Final Approval.

16 93. Notices. Unless otherwise specifically provided herein, all notices, demands, or other
17 communications given hereunder shall be in writing and shall be transmitted to a Party via email:

18 To Plaintiff and the Settlement Class:

19 Bardia Aaron Akhavan, Esq. (State Bar No. 316493)
20 Bardia@baalaw.com
21 **AKHAVAN & ASSOCIATES**
22 15760 Ventura Boulevard, Suite 1720
Encino, California 91436
Phone: (855) 463-4733

23 To Defendants:

24 JILL L. JOHNSON, SB# 198981
25 jjohnson@ohaganmeyer.com
26 **O'HAGAN MEYER LLP**
4695 MacArthur Court, Suite 900
Newport Beach, CA 92660
Telephone: (949) 519-2080

27 94. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
28

1 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
2 Settlement Agreement.

3 95. Binding Agreement. The Parties warrant that: 1) they understand and have full authority
4 to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding
5 on all Parties; and 3) agree that it will be admissible and subject to disclosure in any proceeding to
6 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
7 under federal or state law.

8 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
9 Stipulation of Settlement and Release Between Plaintiff and Defendants as of the date(s) set forth below:

10 **SIGNATURES**

11 **READ CAREFULLY BEFORE SIGNING**

12
13 **PLAINTIFF: Isidro Romero**

14 Dated: Dec 12, 2025

15 

Isidro Romero Bernal (Dec 12, 2025 14:32:35 PST)

Isidro Romero

16
17 **DEFENDANT: HMM Construction, Inc.**

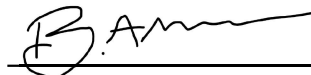
18 Dated: Dec 10, 2025

19 

HMM Construction, Inc.

20
21 **AKHAVAN & ASSOCIATES**

22 Dated: December 12, 2025

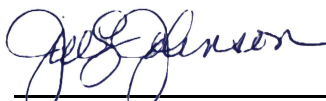
23 

Bardia A. Akhavan

Counsel for Plaintiff Isidro Romero

24
25 **O'HAGAN MEYER LLP**

26 Dated: December 10, 2025

27 

Jill Johnson

Counsel for Defendant HMM Construction, Inc.