

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement (“Agreement,” “Settlement,” or
3 “Settlement Agreement”) is made by and between Plaintiff Juan Rojo (“Plaintiff”), on his own
4 behalf and on behalf of all members of the Settlement Class, as defined below, on the one hand,
5 and Defendant Farwest Insulation Contracting (“Defendant”) on the other hand (Plaintiff and
6 Defendant are collectively referred to as the “Parties”), in the lawsuit entitled *Juan Rojo v. Farwest*
7 *Insulation Contracting, et al.*, filed in Orange County Superior Court, Case No. 30-2022-01259062-
8 CU-OE-CXC (the “Action”). This Settlement resolves all claims that were asserted or could have
9 been asserted against Defendant pertaining to the claims in the Action.

10 **I. DEFINITIONS**

11 **A. “Administration Costs”** means all administrative costs of the Settlement, including
12 costs of notice to the Class, settlement administration, and any fees and costs incurred or charged
13 by the Settlement Administrator in connection with the execution of its duties under this Settlement.

14 **B. “Attorneys’ Fees”** means all past and future attorneys’ fees necessary to prosecute,
15 settle, and administer the Action and this Settlement, which shall be paid from the Gross Settlement
16 Amount.

17 **C. “Class Counsel” or “Plaintiff’s Counsel”** means Edwin Aiwazian, Arby Aiwazian,
18 and Joanna Ghosh of Lawyers for Justice, PC and Jill J. Parker and S. Emi Minne of Parker &
19 Minne, LLP.

20 **D. “Class Members”** means all current and former non-exempt and/or hourly-paid
21 employees who are or were members of the International Association of Heat and Frost Insulators
22 and Allied Workers, Local No. 5 and who worked for Defendant in the State of California at any
23 time during the Class Period (collectively referred to as the “Class”).

24 **E. “Class Period”** means the period from May 11, 2018 through either the date of
25 preliminary approval of the Settlement by the Court or sixty (60) days from the date of mediation,
26 i.e., April 27, 2024, whichever date is earlier.

27 **F. “Class Representative” or “Plaintiff”** means Juan Rojo.

28 **G. “Class Representative Enhancement Award”** means payment to the Class

1 Representative for his services and efforts on behalf of the Class Members in this Action.

2 **H. “Class Settlement”** means the settlement and release of Released Class Claims as
3 defined in Section VII(A), below.

4 **I. “Court”** means the Superior Court of the State of California for the County of
5 Orange.

6 **J. “Effective Date”** means: the later of: (a) if no timely objections are filed or if all
7 objections are withdrawn, the date upon which the Court enters the Final Approval Order; (b) if an
8 objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed;
9 (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in
10 a way that does not alter the terms of the Settlement.

11 **K. “Final Approval Order”** as used herein means the final formal judgment entered
12 by the Court granting final approval of this Agreement.

13 **L. “Gross Settlement Amount”** means the sum of Eight Hundred Thousand Dollars
14 and Zero Cents (\$800,000.00), which shall be paid by Defendant, and from which all Individual
15 Settlement Payments pursuant to Section XII, Court-approved Attorneys’ Fees and Litigation Costs
16 pursuant to Section XIV, Administration Costs pursuant to Section IX, and Class Representative
17 Enhancement Award pursuant to Section XV, shall be made, except as provided herein.

18 **M. “Individual Settlement Payments”** means payments made to the Participating
19 Class Members from the Net Settlement Amount as part of the Settlement.

20 **N. “Litigation Costs”** means all past and future litigation costs and expenses necessary
21 to prosecute, settle, and administer the Action and the Settlement, which shall be paid from the
22 Gross Settlement Amount.

23 **O. “Net Settlement Amount”** means the Gross Settlement Amount minus any Court-
24 approved award of Attorneys’ Fees to Class Counsel, Litigation Costs to Class Counsel,
25 Administration Costs to the Settlement Administrator, and Class Representative Enhancement
26 Award to Plaintiff, and as provided in Sections VIII, IX, XIV, and XV.

27 **P. “Participating Class Members”** means all Class Members who do not submit a
28 timely and valid Request for Exclusion.

1 **Q. “Request for Exclusion”** means a written statement requesting exclusion from the
2 Class Settlement as provided in Section X(C)(1), and which (1) contains the case name and number
3 of the Action, (2) contains the Class Member’s full name, address, telephone number, and last four
4 digits of his or her Social Security number; (3) is signed by the Class Member or his or her
5 authorized representative; (4) contains a clear statement that the Class Member requests to be
6 excluded from the Class Settlement; and (5) is sent to the Settlement Administrator, postmarked no
7 later than the Response Deadline.

8 **R. “Settlement”** means the disposition and agreement to resolve the Action.

9 **S. “Settlement Administrator”** means ILYM Group, Inc. (“ILYM”), the settlement
10 administrator selected by the Parties, and who will be responsible for the administration of the
11 Gross Settlement Amount, as defined below, and all related matters. The Parties each represent that
12 they do not have any financial interest in the Settlement Administrator or otherwise have a
13 relationship with the Settlement Administrator that could create a conflict of interest.

14 **T. “Workweeks”** means the number of weeks that a Class Member worked for
15 Defendant as an hourly-paid or non-exempt employee in California during the Class Period (based
16 on the number of workweeks in the Class List that Defendant provides to the Settlement
17 Administrator). Each Class Member will be credited with at least one (1) Workweek. A Workweek
18 includes any week in which a Class Member worked at least one shift based on Defendant’s records.

19 **II. BACKGROUND**

20 **A.** On May 11, 2022, Plaintiff filed the Class Action Complaint for Damages
21 (“Complaint”) in the Orange County Superior Court. In the Complaint, Plaintiff alleges, *inter alia*,
22 on behalf of himself and all others similarly situated, that Defendant violated the following
23 provisions of the California Labor Code: (1) California Labor Code sections 510 and 1198 (failure
24 to pay overtime); (2) California Labor Code sections 226.7 and 512(a) (failure to provide compliant
25 meal periods and associated premiums); (3) California Labor Code section 226.7 (failure to provide
26 rest periods and associated premiums); (4) California Labor Code sections 1194, 1197, and 1197.1
27 (failure to pay minimum wages); (5) California Labor Code sections 201-203 (failure to timely pay
28 final wages); (6) California Labor Code section 204 (failure to timely pay wages during

1 employment); (7) California Labor Code section 226(a) (failure to provide accurate wage
2 statements); (8) California Labor Code section 1174(d) (failure to keep requisite payroll records);
3 (9) California Labor Code sections 2800 and 2802 (failure to reimburse necessary business
4 expenses); and (10) California Business & Professions Code sections 17200, *et seq.*

5 **B.** In order to facilitate the settlement of the Action, the Parties have agreed to allow
6 Plaintiff to file a First Amended Class Action Complaint for Damages which contains a class
7 definition consistent with the definition in Section (I)(D), above (the "First Amended Complaint").
8 A stipulation and proposed order reflecting the Parties' agreement regarding the filing of the First
9 Amended Complaint shall be filed with the Court on or before the date Plaintiff files his Motion
10 for Preliminary Approval.

11 **C.** Class Counsel conducted extensive investigation, discovery, review and analysis of
12 data and documents, and evaluation concerning the claims set forth in the Action.

13 **D.** Plaintiff and Class Counsel have engaged in good faith, arms-length negotiations
14 with Defendant concerning possible settlement of the claims asserted in the Action. These good
15 faith, arms-length negotiations resulted in settlement of the Action and are memorialized in this
16 Settlement Agreement after extensive negotiations about the terms and conditions of the
17 Settlement.

18 **E.** Class Counsel has conducted an investigation of the law and facts relating to the
19 claims asserted in the Action and has concluded, taking into account the sharply contested issues
20 involved, the defenses asserted by Defendant, the expense and time necessary to pursue the Action
21 through trial and any appeals, the risks and costs of further prosecution of the Action, the risk of an
22 adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received
23 by Plaintiff and the Class Members pursuant to this Agreement, that a settlement with Defendant
24 on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests
25 of the Class. Plaintiff, on his own behalf, on behalf of the Class, has agreed to settle the Action
26 with Defendant on the terms set forth herein.

27 **F.** Defendant has concluded that, because of the substantial expense of defending
28 against the Action, the length of time necessary to resolve the issues presented herein, the

1 inconvenience involved, and the concomitant disruption to its business operations, it is in
2 Defendant's best interest to accept the terms of this Agreement. Defendant denies each of the
3 allegations and claims asserted against it in the Action. However, Defendant nevertheless desires
4 to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing
5 litigation and for the purpose of putting to rest the controversies engendered by the Action.

6 G. This Agreement is intended to and does effectuate the full, final, and complete
7 settlement of the allegations and claims set forth in Section II(A)-(B).

8 **III. JURISDICTION**

9 The Court has jurisdiction over the Parties and the subject matter of this Action. The Action
10 includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the
11 Court to grant relief pursuant to the applicable statutes. After the Court has granted final approval
12 of the Settlement and after the Court has ordered the entry of judgment, pursuant to California Code
13 of Civil Procedure Section 664.6, the Court shall retain jurisdiction of the Action solely for the
14 purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set
15 forth herein.

16 **IV. STIPULATION OF CLASS CERTIFICATION**

17 A. The Parties stipulate to the certification of the Class for purposes of settlement only.
18 This stipulation is contingent upon the preliminary and final approval and certification of the Class
19 only for purposes of settlement. Should the Settlement not become final, for whatever reason, the
20 fact that the Parties were willing to stipulate provisionally to class certification as part of the
21 Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of
22 whether a class should be certified in a non-settlement context in the Action. Defendant expressly
23 reserves the right to oppose class certification should this Settlement be modified or reversed on
24 appeal or otherwise not become final.

25 B. The Parties agree that class certification pursuant to California Code of Civil
26 Procedure Section 382 under the terms of this Agreement is for settlement purposes only. Nothing
27 in this Agreement will be construed as an admission or acknowledgement of any kind that any class
28 should be certified or given collective treatment in the Action or in any other action or proceeding.

1 Further, neither this Agreement nor the Court's actions with regard to this Agreement will be
2 admissible in any court or other tribunal regarding the propriety of class certification or collective
3 treatment. In the event that this Agreement is not approved by the Court or any appellate court, is
4 terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived,
5 limited, or affected in any way any claims, rights, or remedies in the Action, and Defendant will
6 not be deemed to have waived, limited, or affected in any way any of its objections or defenses in
7 the Action.

8 **V. MOTION FOR PRELIMINARY APPROVAL**

9 A. Plaintiff will bring a motion before the Court for an order preliminarily approving
10 the Settlement including the Notice of Class Action Settlement ("Class Notice"), which is attached
11 hereto as "**Exhibit A**," and including certification of the Class for settlement purposes only.

12 B. The date that the Court enters an order granting preliminary approval of the
13 Settlement will be the "Preliminary Approval Date."

14 C. Class Counsel will prepare the motion for preliminary approval of the Settlement.
15 Defendant agrees that it will not oppose Plaintiff's Motion for Preliminary Approval as long as it
16 is in conformity with this Agreement, nor shall it seek to delay the hearing on this motion for more
17 than thirty (30) days from the date obtained by Plaintiff. This is a material term of the Settlement
18 and any delay or opposition by Defendant will be grounds for Plaintiff to withdraw from the
19 Settlement.

20 **VI. STATEMENT OF NO ADMISSION**

21 A. Defendant denies liability for any claim or cause of action asserted in the Action.
22 This Agreement does not constitute, and is not intended to constitute, an admission by Defendant
23 as to the merits, validity, or accuracy of any of the allegations or claims made against it in the
24 Action.

25 B. Nothing in this Agreement, nor any action taken in implementation thereof, nor any
26 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
27 during the course of the negotiations leading to this Agreement or the Settlement, is intended by
28 the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be

1 admissible in any way in this case or any other judicial, arbitral, administrative, investigative or
2 other forum or proceeding as evidence of any violation of any federal, state, or local law, statute,
3 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The
4 Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in
5 this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
6 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
7 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
8 purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding
9 before the Court that has as its purpose the interpretation, implementation, or enforcement of this
10 Agreement or any orders or judgments of the Court entered in connection with implementation of
11 this Agreement and/or the Settlement.

12 C. None of the documents produced or created by Plaintiff or the Class in connection
13 with settlement procedures constitute, and they are not intended to constitute, an admission by
14 either Plaintiff or Defendant regarding whether or not any violation of any federal, state, or local
15 law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in
16 equity has occurred.

17 **VII. WAIVER, RELEASE, AND CONFIDENTIALITY**

18 **A. Release As to All Participating Class Members.**

19 Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiff and
20 all Participating Class Members waive, release, and discharge Defendant, and its past, present
21 and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents,
22 representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
23 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers
24 (collectively, "Released Parties") from all claims, rights, demands, liabilities and causes of action
25 that are alleged, or reasonably could have been alleged based on the facts and claims asserted in
26 the operative complaint in the Action including the following claims: (i) failure to pay all overtime
27 wages due (Labor Code sections 510 and 1198); (ii) failure to provide meal periods or
28 compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (iii) failure to provide rest

1 periods or compensation in lieu thereof (Labor Code section 226.7); (iv) failure to pay all minimum
2 wages due (Labor Code sections 1194, 1197, and 1197.1); (v) failure to timely pay wages at time
3 of termination or resignation (Labor Code sections 201-203); (vi) failure to timely pay wages during
4 employment (Labor Code section 204); (vii) failure to provide complete, accurate wage statements;
5 (viii) failure to keep requisite payroll records (Labor Code section 1174(d); (ix) failure to reimburse
6 necessary business expenses (Labor Code section 2800 and 2802); and (x) unfair business practices
7 that could have been premised on the claims, causes of action or legal theories of relief described
8 above or any of the claims, causes of action or legal theories of relief pleaded in the operative
9 complaint (collectively, "Released Class Claims").

10 **B. General Release by Plaintiff Only.**

11 In addition to the releases made in Section VII(A), Plaintiff makes the additional following
12 general release of all claims, known or unknown. Plaintiff releases the Released Parties from all
13 claims, demands, rights, liabilities and causes of action of every nature and description whatsoever,
14 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
15 violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection
16 with Plaintiff's relationship with Defendant as well as any and all acts or omissions by or on the
17 part of Defendant, excluding only claims that, by law, may not be privately released. (The release
18 set forth in this Section VII(B) shall be referred to hereinafter as the "General Release.")

19 With respect to the General Release, Plaintiff stipulates and agrees that, upon the Effective
20 Date, Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent
21 permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code,
22 or any other similar provision under federal or state law, which provides:

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

27 This release specifically excludes claims for unemployment insurance, state or private disability
28 insurance benefits, social security, and workers compensation (with the exception of claims arising

1 pursuant to California Labor Code Sections 132(a) and 4553). Accordingly, if the facts relating in
2 any manner to this Settlement are found hereafter to be other than or different from the facts now
3 believed to be true, the release of claims contained herein shall be effective as to all unknown
4 claims.

5 **VIII. MONETARY CONSIDERATION FOR SETTLEMENT**

6 **A. Consideration for This Agreement.**

7 As consideration for this Agreement, Defendant will make a payment that totals the Gross
8 Settlement Amount of \$800,000.00. The payment of the Gross Settlement Amount represents full
9 and complete settlement of this matter. The Gross Settlement Amount includes all Attorneys' Fees
10 and Litigation Costs, Settlement Administration Costs, and Class Representative Enhancement
11 Award to Plaintiff. The balance of the Gross Settlement Amount, after deduction of Attorneys'
12 Fees and Litigation Costs, Settlement Administration Costs, and Class Representative
13 Enhancement Award to Plaintiff, will be the Net Settlement Amount. Defendant's employer
14 payroll taxes and contributions in connection with the wages portion of the Settlement ("Employer
15 Taxes") shall be paid separately and in addition to the Gross Settlement Amount.

16 **B. Potential Increase to the Settlement Amount.**

17 Defendant represented that the Class Members worked a total of 15,000 Workweeks during
18 the Class Period as of February 27, 2024. If the number of Workweeks during the Class Period is
19 actually more than 10% higher than 15,000, i.e., there are more than 16,500 Workweeks for the
20 referenced time period ("Workweeks Threshold"), the Gross Settlement Amount will increase on
21 a *pro rata* basis to the extent the Workweeks Threshold is exceeded. For example, if the
22 Workweeks for the referenced time period exceed the Workweeks Threshold by 1%, then the Gross
23 Settlement Amount will be increased by 1%.

24 **IX. SETTLEMENT ADMINISTRATOR**

25 Plaintiff and Defendant, through their respective counsel, have selected ILYM as the
26 Settlement Administrator to administer the Settlement, which includes but is not limited to,
27 translating the Class Notice from English to Spanish; distributing and responding to inquiries about
28 the Class Notice; maintaining a website that contains the operative complaint, the instant Settlement

1 Agreement, Class Notice, and the Court's orders regarding preliminary approval and final approval;
2 determining the timeliness, validity, and/or completion of any objections, Requests for Exclusion,
3 and/or Workweeks Disputes; and calculating all amounts to be paid from the Net Settlement
4 Amount. Charges and expenses of the Settlement Administrator, estimated to be no more than
5 \$10,000.00 will be paid from the Gross Settlement Amount. Any charges and expenses of the
6 Settlement Administrator greater than the allocated \$10,000.00 will be paid from the Gross
7 Settlement Amount. If the actual Administration Costs awarded are less than the amount provided
8 herein, the difference will be part of the Net Settlement Amount. The Parties agree that this
9 Agreement may be provided to the Settlement Administrator to effectuate its implementation of the
10 settlement procedures herein.

11 **X. NOTICE, OBJECTIONS, AND EXCLUSION RIGHTS**

12 **A. Notice to the Class.**

13 Plaintiff and Defendant, through their respective attorneys, have jointly prepared the Class
14 Notice, which in substance will be provided to the Class Members as follows:

15 1. As soon as practicable following preliminary approval of the Settlement, but
16 no later than twenty-one (21) calendar days after the Preliminary Approval Date, Defendant will
17 provide to the Settlement Administrator the following information for each Class Member: (1) full
18 name; (2) last known address; (3) last known telephone number; (4) Social Security number; (5)
19 start and end dates of active employment as a non-exempt employee of Defendant in the State of
20 California; (6) total Workweeks during the Class Period; and (7) any other information reasonably
21 requested by the Settlement Administrator in order to effectuate the terms of the Settlement
22 (collectively, the "Class List"). To the extent reasonably necessary, Defendant agrees to consult
23 with the Settlement Administrator prior to the production date to ensure that the format will be
24 acceptable to the Settlement Administrator. Plaintiff's Counsel shall also receive a redacted Class
25 List that shall only disclose an identification number attributed to each Class Member and their
26 associated Workweeks during the Class Period.

27 2. The Settlement Administrator shall run all the addresses provided through
28 the United States Postal Service NCOA database (which provides updated addresses for any

1 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
2 forwarding address) to obtain current address information, and shall mail the Class Notice to the
3 Class Members via first-class U.S. Mail using the most current mailing address information
4 available, within seven (7) calendar days of the receipt of the Class List from Defendant.

5 3. The Class Notice will include information regarding the nature of the Action;
6 a summary of the terms of the Settlement; the definition of the Class; a statement that the Court has
7 preliminarily approved the Settlement; the nature and scope of the claims being released; the
8 procedure and time period for objecting to the Class Settlement, the date and location of the Final
9 Approval Hearing; information regarding the procedure for opting out of the Class Settlement; the
10 number of Workweeks credited to that Class Member and the procedure for disputing the number
11 of Workweeks credited; and the estimated Individual Settlement Payment for that Class Member.

12 4. If a Class Notice is returned as undeliverable within thirty (30) calendar days
13 after the initial mailing, the Settlement Administrator will perform a skip trace in an attempt to
14 locate a more current address within three (3) business days of receipt of the returned mail. If the
15 Settlement Administrator is successful in locating an updated address, it will re-mail the Class
16 Notice to the Class Member as soon as possible. Further, any Class Notices returned with a
17 forwarding address to the Settlement Administrator before the Response Deadline shall be re-
18 mailed to the forwarding address affixed thereto.

19 5. Class Members will be given sixty (60) calendar days after the Class Notice
20 is initially mailed to the Class Members, to submit Workweeks Disputes, Requests for Exclusion,
21 and/or written objections ("Response Deadline"). With respect to any Class Notice that is re-
22 mailed, the Response Deadline for the Class Member whose Class Notice is re-mailed will be
23 extended an additional forty-five (45) calendar days from the original Response Deadline.

24 6. No later than twenty-five (25) calendar days before the Final Approval
25 Hearing, the Settlement Administrator shall provide counsel for Defendant and Class Counsel with
26 a declaration attesting to the completion of the settlement notice administration process, including
27 the number of attempts to obtain valid mailing addresses for and re-sending of any returned Notices,
28 as well as the number of Workweeks Disputes, Requests for Exclusion, and objections received.

1 **B. Objections.**

2 Class Members who do not submit a Request for Exclusion may object to the Class
3 Settlement. To object to the Class Settlement, a Participating Class Member may send a written
4 objection to the Settlement Administrator or appear at the Final Approval Hearing with or without
5 submitting a written objection to the Class Settlement. The Participating Class Member may appear
6 personally or through an attorney, at his or her own expense, at the Final Approval Hearing to
7 present his or her objection directly to the Court. However, any attorney who will represent an
8 objector must file a notice of appearance with the Court and serve Class Counsel and Defendant's
9 counsel no later than the Response Deadline. A written objection to the Class Settlement must: (1)
10 contain the case name and number of the Action; (2) contain the Participating Class Member's full
11 name, address, telephone number, signature, and last four digits of his or her Social Security
12 number; (3) clearly state the grounds for the objection; (4) state whether the Participating Class
13 Member intends to appear at the Final Approval Hearing; and (5) be mailed to the Settlement
14 Administrator, postmarked no later than the Response Deadline. If a Class Member objects to the
15 Class Settlement, the Class Member will remain a Participating Class Member and if the Court
16 approves this Agreement, the Participating Class Member will be bound by the terms of the Class
17 Settlement in the same way and to the same extent as a Participating Class Member who does not
18 object to the Class Settlement. The date of mailing of the Class Notice to the objecting Participating
19 Class Member shall be conclusively determined according to the records of the Settlement
20 Administrator. The Court retains final authority with respect to the consideration and admissibility
21 of any objections to the Class Settlement from Participating Class Members. The Class Notice
22 shall contain instructions on how to object to the Class Settlement.

23 **C. Opportunity to Be Excluded from the Class Settlement and Defendant's Opt-**
24 **Out Threshold.**

25 1. In order for any Class Member to validly exclude himself or herself from the
26 Class Settlement (i.e., to validly opt out of the Class Settlement), a Request for Exclusion must: (1)
27 contain the case name and number of the Action; (2) contain the Class Member's full name, address,
28 telephone number, and last four digits of his or her Social Security number; (3) be signed by the

1 Class Member or his or her authorized representative; (4) contain a clear statement that the Class
2 Member requests to be excluded from the Class Settlement; and (5) be sent to the Settlement
3 Administrator, postmarked no later than the Response Deadline. The Class Notice shall contain
4 instructions on how to opt out. The Court retains final authority with respect to the validity of any
5 Requests for Exclusion.

6 2. The date of the initial mailing of the Class Notice, and the date the signed
7 Request for Exclusion was postmarked, shall be conclusively determined according to the records
8 of the Settlement Administrator. Any Class Member who timely and validly submits a Request for
9 Exclusion will not be entitled to an Individual Settlement Payment, will not be bound by the Class
10 Settlement, and will not have any right to object, appeal, or comment thereon.

11 3. Any Class Member who does not submit a timely and valid Request for
12 Exclusion to the Settlement Administrator will be deemed bound by the Class Settlement in
13 accordance with this Settlement.

14 4. In the event that more than ten percent (10%) of the Class Members exercise
15 their right to exclude themselves and opt out of the Class Settlement, Defendant retains the
16 exclusive right, but not the obligation, to withdraw from and terminate the Settlement and return
17 all Parties back to their same position before the Settlement was reached and the Settlement
18 Agreement was entered into. In the event that Defendant exercises such rights under this Section,
19 Plaintiff and Defendant shall resume the Action, including the appeal that was pending at the time
20 of mediation. Defendant must notify Class Counsel and the Court in writing of such a decision to
21 withdraw and terminate the Settlement no later than five (5) business days after receiving written
22 notice from the Settlement Administrator that the number of opt outs exceed 10% of the Class. In
23 the event of Defendant's withdrawal, no Party may use the fact that the Parties agreed to the
24 Settlement for any reason, and Defendant shall pay all settlement administration expenses incurred
25 through the date of its termination of the Settlement.

26 **D. Cooperation.**

27 The Parties and their respective counsel agree not to encourage members of the Class to opt
28 out of the Class Settlement or to object to the Class Settlement, directly or indirectly, through any

1 means. However, if a Class Member contacts Class Counsel, Class Counsel may discuss the terms
2 of the Settlement and the Class Member's options with respect to the Settlement.

3 **XI. WORKWEEKS DISPUTE PROCEDURE**

4 **A.** If a Participating Class Member disputes the number of Workweeks credited to him
5 or her for the Class Period, which will be set forth in his or her Class Notice, he or she must submit
6 a written dispute ("Workweeks Dispute") that: (1) contains the case name and number of the
7 Action; (2) contains the Participating Class Member's full name, address, telephone number,
8 signature, and last four digits of his or her Social Security number; (3) contains a statement setting
9 forth the number of Workweeks during the Class Period that he or she contends is correct and
10 attaches any relevant documentation in support thereof; and (4) is submitted to the Settlement
11 Administrator by mail, postmarked no later than the Response Deadline. If a Participating Class
12 Member does not dispute his or her number of Workweeks, the number of Workweeks set forth in
13 the Class Notice will govern the Individual Settlement Payment to the Participating Class Member,
14 and such individual need not take further action to participate in the Settlement.

15 **B.** Upon timely receipt of any such challenge, the Settlement Administrator, in
16 consultation with Class Counsel and counsel for Defendant, will review the pertinent records
17 showing the dates the Participating Class Member worked for Defendant in California and the
18 number of Workweeks worked, which records Defendant agrees to make available to the Settlement
19 Administrator.

20 **C.** After consulting with Class Counsel and counsel for Defendant, the Settlement
21 Administrator shall compute the number of Workweeks to be used in computing the Participating
22 Class Member's *pro rata* share of the Net Settlement Amount. In the event that there is a disparity
23 between the number of Workweeks a Participating Class Member claims he or she worked during
24 the Class Period and the number of Workweeks indicated by Defendant's records, Defendant's
25 records will control unless inconsistent with records provided by the Participating Class Member
26 (or bona fide copies thereof). The Settlement Administrator's decision as to the number of
27 Workweeks to be credited to a Participating Class Member shall be final and non-appealable. The
28 Settlement Administrator shall send written notice of the decision on any such dispute to the

1 Participating Class Member, to Class Counsel, and counsel for Defendant within ten (10) calendar
2 days of receipt of the Workweeks Dispute.

3 **XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

4 **A. Formula for Calculating Individual Settlement Payments.**

5 Participating Class Members will receive a lump sum payment as good and valuable
6 consideration for the waiver and release of Released Class Claims set forth in Section VII(A),
7 above, in an amount determined by the Settlement Administrator in accordance with the provisions
8 of this Agreement. Each Participating Class Member's Individual Settlement Payment will be
9 determined as follows:

10 1. Defendant will calculate the number of Workweeks of each Class Member
11 during the Class Period and include this information in the Class List.

12 2. The value of each Workweek shall be determined by the Settlement
13 Administrator by dividing the Net Settlement Amount by the total number of Workweeks of all
14 Participating Class Members ("Class Workweek Value").

15 3. Each Participating Class Member's individual Workweeks will be multiplied
16 by the Class Workweek Value to arrive at his or her Individual Settlement Payment. Individual
17 Settlement Payments for each Participating Class Member will be reduced by any required legal
18 deductions for the employee's share of taxes and withholdings on the wages portion of the
19 Individual Settlement Payments.

20 **B. Funding of Settlement.**

21 Within twenty-one (21) calendar days of the Effective Date, Defendant will deposit the
22 Gross Settlement Amount into an interest-bearing account established by the Settlement
23 Administrator for administration of the Settlement. At no time prior to twenty-one (21) days after
24 the Effective Date shall Defendant be required to escrow any portion of the Gross Settlement
25 Amount.

26 **C. Time for Distribution.**

27 1. The Settlement Administrator shall distribute the Court-approved Attorney's
28 Fees and Litigation Costs to Class Counsel, Court-approved Class Representative Enhancement

1 Award to Plaintiff, Court-approved Administration Costs to the Settlement Administrator, and
2 Individual Settlement Payments to Participating Class Members, within ten (10) calendar days
3 following the full funding of the Settlement.

4 2. If an Individual Settlement Payment is returned to the Settlement
5 Administrator as undeliverable within thirty (30) calendar days of the mailing of the check, the
6 Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a
7 skip trace search and, if another address is identified, shall mail the check to the newly identified
8 address.

9 3. Any checks issued by the Settlement Administrator to Participating Class
10 Members will be valid and negotiable for one hundred and eighty (180) days after issuance, and
11 thereafter, the checks will be cancelled. The funds remaining and associated with cancelled
12 Individual Settlement Payment checks shall be forwarded to the Controller of the State of California
13 pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et seq.*, to be held in trust
14 for those Participating Class Members who did not timely cash their Settlement checks. The Parties
15 agree that this disposition results in no “unpaid residue” under California Civil Procedure Code §
16 384, as all payments to the Participating Class Members will be paid out, whether or not these
17 individuals cash their Settlement checks.

18 **XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

19 The amounts paid under this Agreement do not represent a modification of any previously
20 credited hours of service under any employee benefit plan, policy, or bonus program sponsored by
21 Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or
22 any other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant’s
23 policies or bonus programs. Any payments made under the terms of this Settlement shall not be
24 applied retroactively, currently or on a going forward basis as salary, earnings, wages, or any other
25 form of compensation for the purposes of Defendant’s benefit plan, policy, or bonus program.
26 Defendant retains the right to modify the language of its benefit plan, policies, and bonus programs
27 to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for
28 “hours worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by

1 applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or
2 any other purpose, and that additional contributions or benefits are not required by this Settlement.

3 **XIV. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

4 Defendant shall not oppose an application by Class Counsel for an amount up to thirty-five
5 percent (35%) of the Gross Settlement Amount (i.e., \$280,000.00, if the Gross Settlement Amount
6 remains at \$800,000.00) for all past and future attorneys' fees necessary to prosecute, settle, and
7 administer the Action and this Settlement. Additionally, Defendant shall not oppose an application
8 by Class Counsel for an amount up to Thirty Thousand Dollars and Zero Cents (\$30,000.00) for all
9 past and future litigation costs and expenses necessary to prosecute, settle, and administer the
10 Action and the Settlement. Any Attorneys' Fees or Litigation Costs awarded to Class Counsel by
11 the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the
12 purpose of determining the Net Settlement Amount. The "future" aspect of these amounts includes,
13 without limitation, all time and expenses expended by Class Counsel in implementing the
14 Settlement and securing preliminary and final approval (including any appeals therein). There will
15 be no additional consideration paid by Defendant for such work; although such work may cause
16 Class Counsel's lodestar to increase, Class Counsel will be limited to the Attorneys' Fees and
17 Litigation Costs provided for under the Settlement. The Attorneys' Fees and Litigation Costs shall
18 include all attorneys' fees, litigation costs, and expenses for which Plaintiff and Class Counsel
19 could claim under any legal theory whatsoever with respect to the Action. Within ten (10) calendar
20 days following the full funding of the Settlement, the Settlement Administrator shall disburse
21 payment to Class Counsel from the Gross Settlement Amount for the Court-approved Attorneys'
22 Fees and Litigation Costs. Should the Court approve a lesser percentage or amount of Attorneys'
23 Fees and/or Litigation Costs than the amount that Class Counsel ultimately seeks, then any such
24 unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to
25 Participating Class Members on a *pro rata* basis.

26 **XV. CLASS REPRESENTATIVE ENHANCEMENT AWARD TO PLAINTIFF**

27 Defendant shall not oppose an application by Plaintiff, and Plaintiff shall not seek or receive
28 an amount in excess of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for his

1 participation in and assistance with the Action. Any Class Representative Enhancement Award
2 awarded to Plaintiff by the Court as part of the Settlement shall be deducted from the Gross
3 Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be
4 reported on an IRS Form 1099. If the Court approves a Class Representative Enhancement Award
5 of less than \$7,500.00 to Plaintiff, then the unapproved portion or portions shall be part of the Net
6 Settlement Amount to be distributed to Participating Class Members on a *pro rata* basis.

7 **XVI. TAXATION AND ALLOCATION**

8 A. The Parties agree that all employees' share of employment taxes and other legally
9 required withholdings will be withheld from payments to the Participating Class Members and
10 Plaintiff based on the Parties stipulated allocation of the Net Settlement Amount as provided for in
11 this Section.

12 B. In Defendant's sole discretion, and to which Plaintiff and Class Counsel do not
13 object, the amount of federal income tax withholding will be based upon a flat withholding rate for
14 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
15 supplemented. Income tax withholdings will also be made pursuant to applicable state and/or local
16 withholding codes or regulations.

17 C. For withholding tax characterization purposes and payment of taxes, the Individual
18 Settlement Payments to Participating Class Members shall be deemed twenty percent (20%) wages
19 and eighty percent (80%) penalties, interest, and non-wage damages.

20 D. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner
21 required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement,
22 by the Settlement Administrator. If the Code, the regulations promulgated thereunder, or other
23 applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section
24 may be modified in a manner to bring Defendant into compliance with any such changes.

25 E. The employer's share of payroll taxes and contributions on the wages portion of
26 Individual Settlement Payments will be paid by Defendant in addition to and not as a deduction
27 from the Gross Settlement Amount.

28 ///

1 **XVII. COURT APPROVAL**

2 **A.** This Agreement and the Settlement is contingent upon final approval by the Court
3 and entry of judgment. Plaintiff and Defendant agree to take all steps as may be reasonably
4 necessary to secure both preliminary approval and final approval of the Settlement, to the extent
5 not inconsistent with the terms of this Agreement, and will not take any action adverse to each other
6 in obtaining approval by the Court, and, if necessary, appellate approval, of the Settlement in all
7 respects. Plaintiff and Defendant expressly agree that they will not file any objection to the terms
8 of the Settlement or assist or encourage any person or entity to file any such objection.

9 **B.** In the event it becomes impossible to secure approval of the Settlement, the Parties
10 shall be restored to their respective positions in the Action, as of the date on which the Settlement
11 was reached, except as otherwise provided in Section XVII, below.

12 **XVIII. MISCELLANEOUS PROVISIONS**

13 **A. Interim Stay of Action.**

14 Plaintiff and Defendant agree to the stay of all proceedings in the Action, including the
15 appeal and including with respect to California Code of Civil Procedure section 583.310, except
16 such proceedings necessary to implement and complete the Settlement, pending final approval of
17 the Settlement by the Court.

18 **B. Interpretation of the Agreement.**

19 This Agreement constitutes the entire agreement between Plaintiff and Defendant. Except
20 as expressly provided herein, this Agreement has not been executed in reliance upon any other
21 written or oral representations or terms, and no such extrinsic oral or written representations or
22 terms shall modify, vary from or contradict its terms. In entering into this Agreement, the Parties
23 agree that this Agreement is to be construed according to its terms and may not be varied or
24 contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws
25 of the State of California, both in its procedural and substantive aspects, without regard to its
26 conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject
27 matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California
28 for the County of Orange, and Plaintiff and Defendant hereby consent to the personal jurisdiction

1 of the Court over them solely in connection therewith. Plaintiff, on his own behalf, and on behalf
2 of the Class, and Defendant participated in the negotiation and drafting of this Agreement and had
3 available to them the advice and assistance of independent counsel. As such, neither Plaintiff nor
4 Defendant may claim that any ambiguity in this Agreement should be construed against the other.
5 The terms and conditions of this Agreement constitute the exclusive and final understanding and
6 expression of all agreements between Plaintiff and Defendant with respect to the Settlement.

7 **C. Further Cooperation.**

8 Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare
9 and execute all documents, to seek the necessary approvals from the Court, and to do all things
10 reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

11 **D. Confidentiality of Documents and Information.**

12 Plaintiff, the Settlement Administrator, and Class Counsel shall maintain the confidentiality
13 of all documents and other information produced by Defendant in the Action, except with respect
14 to obtaining preliminary and final approval of the Settlement or unless ordered to be disclosed by
15 the Court or by a subpoena. Notwithstanding the foregoing, in the event the Parties are unable to
16 obtain Court approval of the Settlement, this provision will be of no force or effect as the Parties
17 will be restored to their respective positions in the Action pursuant to Section XVII(B).

18 **E. Neutral Employment Reference.**

19 Defendant agrees that it will adopt a neutral reporting policy regarding any future
20 employment references related to Plaintiff. In the event that any potential or future employers of
21 Plaintiff request a reference regarding Defendant's employment of Plaintiff, Defendant shall only
22 provide Plaintiff's dates of employment and job titles during employment. Defendant shall not
23 refer to the Action or this Settlement.

24 **F. Counterparts.**

25 The Agreement may be executed in one or more actual or non-original counterparts, either
26 through a physical original, facsimile, electronic, or e-mail signature, all of which will be
27 considered one and the same instrument and all of which will be considered duplicate originals.

28 ///

1 **G. Authority.**

2 Each individual signing below warrants that he or she has the authority to execute this
3 Agreement on behalf of the Party for whom or which that individual signs.

4 **H. No Third-Party Beneficiaries.**

5 Plaintiff, Participating Class Members, Defendant, and Released Parties are intended
6 beneficiaries of this Agreement, and there are no other third-party beneficiaries.

7 **I. Modification.**

8 Before this Agreement has been submitted to the Court in connection with seeking
9 preliminary approval of the Settlement, it may not be changed, altered, or modified, except in a
10 writing signed by the counsel for the Parties. After this Agreement has been submitted to the Court
11 in connection with seeking preliminary approval of the Settlement, it may not be changed, altered,
12 or modified, except in a writing signed by the counsel for the Parties, subject to approval by the
13 Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in
14 this Agreement may be modified by agreement of counsel for the Parties in writing without
15 approval by the Court if the Parties agree and cause exists for such modification. This Agreement
16 may not be discharged except by performance in accordance with its terms or by a writing signed
17 by the Parties.

18 **J. Deadlines Falling on Weekends or Holidays.**

19 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
20 legal holiday, that deadline shall be continued until the following business day.

21 **K. California Law Governs.**

22 All terms of this Settlement Agreement and Exhibits hereto will be governed and interpreted
23 according to the laws of the State of California.

24 **L. Severability.**

25 In the event that any one or more of the provisions contained in this Agreement shall for
26 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
27 unenforceability shall in no way effect any other provision if Defendant's counsel and Class
28 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as

1 if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

2 **M. Binding on Successors and Assigns.**

3 This Settlement Agreement will be binding upon, and inure to the benefit of, the successors
4 or assigns of the Parties hereto, as previously defined.

5 **N. Waiver.**

6 No waiver of any condition or covenant contained in this Settlement Agreement or failure
7 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute
8 a further waiver by such party of the same or any other condition, covenant, right or remedy.

9 **O. Representation by Counsel.**

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

14 **P. Binding Agreement.**

15 The Parties warrant that they understand and have full authority to enter into this Settlement,
16 and further intend that this Settlement Agreement will be fully enforceable and binding on all
17 Parties subject to Court approval, and agree that it will be admissible and subject to disclosure in
18 any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that
19 otherwise might apply under federal or state law.


20 **IT IS SO AGREED:**

21
22 Date: 03/26/2024


Juan Rojo (Mar 26, 2024 19:19 PDT)

Juan Rojo, Plaintiff

23
24 Date: 4/1/2024


Defendant Farwest Insulation Contracting
Name: Eric W. Fuitts
Position: President

25
26 ///

27
28 ///

1 **APPROVED AS TO FORM:**

2 Date: March 27, 2024

PARKER & MINNE, LLP

3
4 
5 Jill J. Parker

6 Attorneys for Plaintiff Juan Rojo and Proposed
7 Class Counsel

8 Date: May 8, 2024

LITTLER MENDELSON, P.C.

9
10 
11 Chad Anderton David Comfort

12 Attorneys for Defendant Farwest Insulation
13 Contracting
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Juan Rojo v. Farwest Insulation Contracting, et al.

Superior Court of the State of California for the County of Orange, Case No. 30-2022-01259062-CU-OE-CXC

You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.

The purpose of this Notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in a class and representative action that is pending in the Superior Court for the County of Orange. The lawsuit was filed by a former employee, Juan Rojo (“Plaintiff”) against Farwest Insulation Contracting (“Defendant”) (collectively, Plaintiff and Defendant are referred to as the “Parties”), entitled *Juan Rojo v. Farwest Insulation Contracting, et al.*, Orange County Superior Court Case No. 30-2022-01259062-CU-OE-CXC (the “Lawsuit”).

In the Lawsuit, Plaintiff seeks to represent all current and former non-exempt and/or hourly-paid employees who are or were members of the International Association of Heat and Frost Insulators and Allied Workers, Local No. 5 (“Local No. 5”) and who worked for Defendant in the State of California at any time during the period from May 11, 2018 to [Date of Preliminary Approval or April 27, 2024, whichever date is earlier] (“Class Members”).

The Court granted preliminary approval of the Parties’ settlement on [Date], and has scheduled a hearing on [Date] at [Time] (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

1. WHAT ARE MY OPTIONS?	
DO NOTHING	Receive an Individual Settlement Payment. By doing nothing, you will receive an Individual Settlement Payment. However, you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	Exclude Yourself from the Class Settlement and Receive No Individual Settlement Payment. You may opt-out of the Class Settlement by submitting a signed Request for Exclusion (see Section 9(B) below) that must be postmarked no later than [Response Deadline]. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Class Settlement and you will not be bound by the release of class claims provided under the Settlement.
OBJECT TO THE CLASS SETTLEMENT	Object to the Class Settlement. If you choose to participate in the Class Settlement, you may submit an objection to the Class Settlement. To object, you can submit an objection (see Section 9(C) below) to the Settlement Administrator no later than [Response Deadline], or you can appear at the Final Approval Hearing and state any objections to the Class Settlement. If the Court overrules your objection, you will receive an Individual Settlement Payment, and you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
CHALLENGE THE CALCULATION OF YOUR WORKWEEKS	You may Challenge the Calculation of Your Workweeks. The amount of your Individual Settlement Payment depends on how many Workweeks you worked during the Class Period. The number of Class Period Workweeks that you worked according to Defendant’s records is stated in Section 6. If you wish to dispute the Workweeks credited to you in this Notice, you must submit a challenge to the Settlement Administrator no later than [Response Deadline] as described in Section 6.

2. WHY DID I GET THIS NOTICE?

Defendant's records show that you are or were a member of Local No. 5 and that you were employed by Defendant in California at some point during the period from May 11, 2018 to [Date of Preliminary Approval or April 27, 2024, whichever date is earlier] (the "Class Period"). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Lawsuit is about, the terms of the Settlement, and your rights.

3. WHAT IS THIS LAWSUIT ABOUT?

On May 11, 2022, Plaintiff filed a Class Action Complaint for Damages in the Superior Court for the County of Orange. On [redacted], Plaintiff filed a First Amended Class Action Complaint for Damages (the "First Amended Complaint"). Plaintiff alleged that Defendant failed to pay all wages due, including overtime wages, meal period premiums, rest period premiums, and minimum wages; failed to timely pay wages during employment and upon termination; failed to issue compliant wage statements; failed to maintain accurate payroll records; failed to reimburse all necessary business expenses; and engaged in unfair business practices. In his Complaint, Plaintiff sought to represent a class of all current and former non-exempt and/or hourly-paid employees who were members of Local No. 5 and who worked for Defendant in the State of California at any time during the period from May 11, 2018 to final judgment.

Defendant denies all of the material allegations in the Complaint and has asserted numerous affirmative defenses to the claims.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any decision about the merits of Plaintiff's Lawsuit. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiff and Defendant have concluded that it is in their respective best interests and the interest of the Class Members to settle the Lawsuit on the terms summarized in this Notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Lawsuit. Plaintiff, Class Counsel, and Defendant all support this Settlement due to, among other things, Defendant's potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Class Members under the Settlement.

5. SUMMARY OF THE SETTLEMENT

Defendant has agreed to pay a settlement amount of Eight Hundred Thousand Dollars (\$800,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to the Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Class Representative Enhancement Award in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), (2) Attorneys' Fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$280,000.00), (3) Litigation Costs in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00).

Class Members are eligible to receive payment of their pro rata share of the Net Settlement Amount ("Individual Settlement Payment") based on the number of workweeks in which each Class Member worked at least one day for Defendant as an hourly-paid or non-exempt employee in the State of California at any time during the Class Period ("Workweeks").

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Class Workweek Value" and multiplied each Class Member's individual Workweeks by the Estimated Class Workweek Value to yield his or her estimated Individual Settlement Payment that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Amount by the Workweeks of all Class Members who did not submit a valid and timely Request for Exclusion ("Participating Class Members") to yield his or her Individual Settlement Payment, which shall be paid from the Net Settlement Amount, less applicable employee-side tax withholdings.

Each Individual Settlement Payment will be allocated twenty percent (20%) to wages, which will be reported on an IRS Form W2, and eighty percent (80%) to penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wage portion of the Individual Settlement Payments, and issue checks to Participating Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Payment net of these taxes and withholdings). The employer's share of taxes on the wage portion of Individual Settlement Payments will be paid by Defendant separately and in addition to the Gross Settlement Amount.

6. YOUR WORKWEEKS BASED ON DEFENDANT'S RECORDS

According to Defendant's records, during the period from May 11, 2018 to [Date of Preliminary Approval or April 27, 2024, whichever date is earlier] (i.e., the Class Period) you worked for Defendant as an hourly-paid or non-exempt employee in California for approximately [] Workweeks.

If you wish to dispute the Workweeks credited to you in this Notice, you must submit a written, signed challenge ("Workweeks Dispute") to the Settlement Administrator. The Workweeks Dispute must contain: (1) the case name and number of the Lawsuit (*Rojo v. Farwest Insulation Contracting*, Case No. 30-2022-01259062-CU-OE-CXC); (2) your full name, address, telephone number, signature, and last four digits of your Social Security number; and (3) a statement setting forth the number of Workweeks during the Class Period that you contend is correct and any relevant documentation in support thereof. The Workweeks Dispute must be submitted to the Settlement Administrator by mail, postmarked no later than [Response Deadline].

7. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT?

As explained above, your estimated Individual Settlement Payment is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$ []. The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Your Individual Settlement Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

The settlement approval process may take multiple months. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

8. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court approves the Settlement, the Court will enter a judgment and the Settlement Agreement will bind all Participating Class Members (i.e., Class Members who have not submitted a timely and valid Request for Exclusion). This will bar all Participating Class Members from bringing certain claims against Defendant.

Upon the Effective Date and the full funding of the Gross Settlement Amount, Plaintiff and all Participating Class Members waive, release, and discharge Released Parties of any and all Released Class Claims. "Released Class Claims" means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the First Amended Complaint, arising during the Class Period, including the following claims, under any legal theory of liability, for: (1) failure to pay all overtime wages due (Labor Code sections 510 and 1198); (2) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (3) failure to provide rest periods or compensation in lieu thereof (Labor Code section 226.7); (4) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (5) failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (6) failure to timely pay wages during employment (Labor Code section 204); (7) failure to provide complete, accurate wage statements; (8) failure to keep requisite payroll records (Labor Code section 1174(d)); (9) failure to reimburse necessary business expenses (Labor Code section 2800 and 2802); and (10) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the First Amended Complaint.

“Released Parties” means Defendant and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The information provided in this Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a class member if you do not submit a Request for Exclusion, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at [www. \[redacted\]](http://www. [redacted]). If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Defendant will continue.

9. WHAT ARE MY RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. PARTICIPATE IN THE SETTLEMENT

If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and will be issued your Individual Settlement Payment. If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 8 above. As a Participating Class Member, you will not be separately responsible for the payment of attorneys’ fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys’ fees and expenses.

B. EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT

If you wish to exclude yourself from the Class Settlement because you wish to pursue a separate lawsuit against Defendant for the claims asserted in this Lawsuit, or if you do not wish to participate in the Settlement for other reasons, you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement. The Request for Exclusion must: (1) contain the case name and number of the Lawsuit (*Rojo v. Farwest Insulation Contracting*, Case No. 30-2022-01259062-CU-OE-CXC) (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) be signed by you or your authorized representative; (4) contain a clear statement that you request to be excluded from the Class Settlement; and (5) be mailed to the Settlement Administrator, postmarked no later than [Response Deadline] to the following address:

[Name of Settlement Administrator]
[Mailing Address]

Requests for Exclusion that are postmarked after [Response Deadline] will not be valid. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 8 above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely request for exclusion will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 8 above, as well as any judgment that may be entered by the Court based thereon.

C. OBJECT TO THE CLASS SETTLEMENT

If you do not think the Class Settlement is fair, you can object to the Class Settlement and tell the Court you do not agree with the Class Settlement or some part of it if you have not submitted a Request for Exclusion from the Class Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. To be valid, a written objection must: (1) contain the case name and number of the Lawsuit (*Rojo v. Farwest Insulation Contracting*, Case No. 30-2022-01259062-CU-OE-CXC); (2) contain your full name, address, telephone number, signature, and last four digits of your Social Security number; (3) clearly state the grounds for the objection; (4) state whether you intend to appear at the Final Approval Hearing; and (5) be mailed to the Settlement Administrator, postmarked no later than [Response Deadline] to the address listed in Section 9(B).

10. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on [Date] at [Time] in Department CX103 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, California 92702 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award Attorneys' Fees and Litigation Costs to Class Counsel and the Class Representative Enhancement Award. The hearing may be postponed without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

11. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this Notice are available at www. [redacted]. This website may be updated periodically to update the Class Members on any developments in the case.

You may also view the Settlement Agreement and documents filed in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours, or online by visiting the following website: <https://www.occourts.org/online-services/case-access>, clicking "Access Now" next to "Civil Case & Document Access", clicking "Accept Terms" on the following page, and then typing in the Case Number "30-2022-01259062" in the search field.

For further information about this case, you may contact Class Counsel or the Settlement Administrator. Class Counsel's contact information is as follows:

Edwin Aiwazian, Esq.
Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

The contact information for the Settlement Administrator is as follows:

[Name of Settlement Administrator]

[Mailing Address]

[Telephone Number]

DO NOT CONTACT THE COURT, DEFENDANT, OR DEFENDANT'S ATTORNEYS ABOUT THIS NOTICE.