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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

JANET DUENAS, individually, and on behalf
of other members of the general public
similarly situated;

Plaintiff,

vs.

FIRST QUALITY PAINTING, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. CIVSB2121824

*Assigned for All Purposes to: Hon. Tony
Raphael, Department S36*

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

Complaint Filed: July 27, 2021
Trial Date: Not Set

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiffs Janet Duenas, Alejandra Martinez, and Walter Rios, individually and on behalf of the Class and Defendant First Quality Painting, Inc.

DEFINITIONS

1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

2. “Action” means the consolidated court actions, entitled “*Janet Duenas v. First Quality Painting, Inc.*,” Case No. CIVSB2121824, and Case No. CIVSB2126998 pending before the San Bernardino County Superior Court.

3. “Class Counsel” means Protection Law Group, LLP and Lawyers for Justice, P.C.

4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed Twenty Percent (20%) of the Gross Settlement Amount, i.e. Thirty Thousand Dollars (\$30,000.00) and the reimbursement of costs and expenses associated with the litigation and settlement of the Action, not to exceed Thirty-Five Thousand Dollars (\$35,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

5. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member’s: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Workweeks worked by each Class Member during the Class Period; (7) total Workweeks worked by each PAGA

Member during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

6. “Class” or “Class Members” means all current and former hourly-paid, non-exempt employees of Defendant who worked for Defendant in the State of California at any time during the Class Period.

7. “Class Period” means the period from July 27, 2017, and December 2, 2024.

8. “Class Representatives” means Plaintiffs Janet Duenas, Alejandra Martinez, and Walter Rios in their capacity as representatives of the Participating Class Members.

9. “Class Representative Enhancement Payment” means the amount that the Court authorizes to be paid to Plaintiffs in addition to their Individual Settlement Payments, in recognition of the efforts and risks they have taken in assisting with the prosecution of the Action and in exchange for the General Release of their claims as provided herein.

10. “Court” means the Superior Court of the State of California for the County of San Bernardino.

11. “Defendant” means First Quality Painting, Inc.

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

13. “Final Approval” means the Court entering an order granting final approval of the Settlement Agreement.

14. “Gross Settlement Amount” means the sum of One Hundred and Fifty Thousand Dollars (\$150,000.00). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendant.

15. “Individual Settlement Payment” means the amount payable from the Net Settlement Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Payment. Individual Settlement

Payments shall be paid by a Settlement Check made payable to Participating Class Members and/or PAGA Members.

16. “Net Settlement Amount” means the funds available for payments to the Class, which shall be amount remaining after the following amounts are deducted from the Gross Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement Administration Costs, (4) Class Representative Enhancement Payments to Plaintiffs; and (5) the PAGA Payment to the LWDA and PAGA Members.

17. “Notice” means the Notice of Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last known addresses and which will provide Class Members with information regarding the Action and information regarding the settlement of the Action.

18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

19. “PAGA Payment” means the amount that the Parties have agreed to allocate in order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*) (“PAGA”). The Parties have agreed that Seven Thousand Five Hundred Dollars (\$7,500.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiffs’ PAGA Claims. Seventy Five Percent (75%) of this amount (\$5,625.00) will be paid to the California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$1,875.00), will be distributed to PAGA Members. PAGA Members will receive payment from the employee portion of the PAGA Payment regardless of their decision to participate in the class action if the PAGA Payment is approved by the Court.

20. “PAGA Period” means the period from July 27, 2020, and December 2, 2024.

21. “PAGA Members” means all current and former hourly-paid non-exempt employees of Defendant who worked for Defendant in the state of California at any time during the PAGA Period.

22. “Parties” means Plaintiffs and Defendant, collectively, and “Party” shall mean either Plaintiffs or Defendant, individually.

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

24. “Plaintiffs” means Janet Duenas, Alejandra Martinez, and Walter Rios.

25. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

26. “Objection” means a Participating Class Member’s valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, last four digits of the employees’ social security number or employee ID number and (b) the name of the case and case number; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

27. “Released Class Claims” means claims, rights, demands, liabilities and causes of actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in the operative complaint in the Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment ;(viii) unfair business practices that could have been premised on the facts pled in the operative complaint; and (ix) failure to maintain required payroll records.

28. “Released PAGA Claims” means all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts alleged both in the PAGA Notice provided to the LWDA and in the operative complaint.

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

30. “Request for Exclusion” means a valid and timely written statement submitted by a Class Member requesting to be excluded from the settlement of the Released Class Claims. To be effective, the Request for Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release of claims arising under the Private Attorneys General Act.

31. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion, written objections, or workweek disputes, will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the Response Deadline.

32. “Settlement” means the disposition of the Action pursuant to this Agreement.

33. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

34. "Settlement Administration Costs" mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member's Individual Settlement Payment, calculating the PAGA Portion of the PAGA Members individual settlement payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Nine Thousand Dollars (\$9,000).

35. "Workweek" shall mean any calendar week (i.e. a week beginning on Sunday and ending on Saturday) in which a Class Member or PAGA Member worked at least 1 day.

TERMS OF AGREEMENT

36. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payments, Class Counsel's Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of an increase in the number of workweeks as set forth below, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

37. Potential Shortening of Class Period: Defendant has represented there are approximately 90,268 Workweeks within the Class Period. Should the actual number of Workweeks increase by more than ten percent (10%) (i.e. by more than 9,027 Workweeks) the end date of the class period will be revised to end on the date the total weeks worked by the class exceed 99,295.

38. Funding of the Gross Settlement Amount: Within twenty (20) calendar days of Preliminary Approval, the Parties will contact the Settlement Administrator and have the Settlement Administrator establish a Qualified Settlement Fund ("QSF"). Following Preliminary Approval, Defendant will fund the Gross Settlement Amount through a series of twenty-four (24) monthly installments of \$6,250.00 each. Each installment shall be deposited with the Settlement Administrator on the first business day of each month. Defendant shall also be required to fund all necessary employer side payroll taxes at the same time as the final deposit of the Gross Settlement Amount. If the Settlement Agreement is not approved, or the Effective Date does not occur, all money deposited with the Settlement Administrator will revert to Defendant. Distribution of the Gross Settlement Amount shall occur only after both of the following events have occurred: (1) 24 months have passed since the signing of this Agreement and the settlement has been fully funded; and (2) the Effective Date has occurred. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8 digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than seven (7) calendar days of the Effective Date

39. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of (1) the complete funding of the Settlement and all necessary employer side payroll taxes, and (2) the occurrence of the Effective Date, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development Agency; (c) the Class Representative Enhancement Payments; (d) Class Counsel's Fees and Costs and (e) Settlement Administration Costs.

40. Attorneys' Fees and Costs: Defendant agrees not to oppose any application or motion by Class Counsel for attorneys' fees of not more than Thirty Thousand Dollars (\$30,000.00) plus the reimbursement of costs and expenses associated with the litigation and settlement of the Action, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees

1 or costs that is not awarded to the Class Counsel shall be reallocated to the Net Settlement
2 Amount and distributed to Participating Class Members as provided in this Agreement.

3 41. Class Representative Enhancement Payment: Defendant agrees not to oppose or
4 object to any application or motion by Plaintiffs for Class Representative Enhancement
5 Payments of Five Thousand (\$5,000.00) for Plaintiff Duenas and One Thousand Five Hundred
6 Dollars (\$1,500.00) each for Plaintiffs Martinez and Rios. The Class Representative
7 Enhancement Payments are in exchange for the General Release of the Plaintiffs' individual
8 claims and for their time, effort and risk in bringing and prosecuting the Action. Any portion of
9 the requested Class Representative Enhancement Payments that is not awarded to the Class
10 Representatives shall be reallocated to the Net Settlement Amount and distributed to
11 Participating Class Members as provided in this Agreement.

12 42. Settlement Administration Costs: The Settlement Administrator will be paid for
13 the reasonable costs of administration of the Settlement and distribution of payments from the
14 Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs
15 shall not exceed Nine Thousand Dollars (\$9,000.00).

16 43. PAGA Payment: Seven Thousand Five Hundred Dollars (\$7,500.00) shall be
17 allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the
18 PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
19 Payment, or Five Thousand Six Hundred and Twenty-Five Dollars (\$5,625.00), to the California
20 Labor and Workforce Development Agency ("LWDA"). One Thousand Eight Hundred and
21 Seventy-Five Dollars (\$1,875), will be distributed to PAGA Members on a *pro rata* basis based
22 on the total number of Workweeks worked by each PAGA Member during the PAGA Period.
23 PAGA Members shall receive their portion of the PAGA Payment regardless of their decision to
24 opt-out of the class settlement.

25 44. Net Settlement Amount for Payment of Class Claims: The Net Settlement
26 Amount will be used to satisfy the class portion of Participating Class Members Individual
27 Settlement Payments in accordance with the terms of this Agreement. The estimated Net
28 Settlement Amount is as follows:

Gross Settlement Amount	\$	150,000.00
Enhancement Payments:	\$	8,000.00
Class Counsel's Fees:	\$	30,000.00
Class Counsel's Costs:	\$	35,000.00
PAGA Payment	\$	7,500.00
Settlement Administration Costs:	\$	9,000.00
Estimated Net Settlement Amount	\$	60,500.00

45. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Participating Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA Member during the PAGA Period. The respective Workweeks for each PAGA Member will be divided by the total Workweeks for all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment to calculate each PAGA Member's estimated share of the PAGA Payment. PAGA Members

1 shall receive this portion of their Individual Settlement Payment regardless of whether they opt
2 out of the participation regarding the class claims.

3 c) Allocation of Individual Settlement Payments: The Class Portion
4 of each Individual Settlement Payments will be allocated as follows: twenty percent (20%) of
5 each Individual Settlement Payment will be allocated as wages, forty percent (40%) shall be
6 allocated as interest, and forty percent (40%) shall be allocated as penalties. The PAGA Portion of
7 each Individual Settlement Payment will be allocated 100% as Penalties. The portion of the
8 Individual Settlement Payment allocated to wages will be reported by the Settlement
9 Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an
10 IRS Form-1099 by the Settlement Administrator.

11 46. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
12 Participating Class Members under this Settlement, as well as any other payments made pursuant
13 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
14 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
15 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
16 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
17 affect any rights, contributions, or amounts to which any Class Members may be entitled under
18 any benefit plans.

19 47. Settlement Administration Process: The Parties agree to cooperate in the
20 administration of the Settlement and to make all reasonable efforts to control and minimize the
21 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
22 will provide the following services:

- 23 a) Establish and maintain a Qualified Settlement Fund.
24 b) Calculate the Individual Settlement Payment each Participating Class
25 Member is eligible to receive and the portion of the PAGA Payment each
26 PAGA Member shall receive.
27 c) Print and mail the Notice.
28

- d) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- e) Process Requests for Exclusion, field inquiries from Class Members,
- f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- g) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court regarding the settlement administration process.
- h) Provide weekly status reports to counsel for the Parties.
- i) Translate the Notice from English to Spanish

48. Delivery of the Class List: Within twenty (20) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

49. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

50. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a

single re-mailing. If any notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, written objection, or workweek dispute.

51. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Class Period; (e) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) instructions on how to opt-out of and object to the Class Portion of the Settlement; (h) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth herein; and (j) the date for the final approval hearing.

52. Disputed Information on Notice: Class Members will have an opportunity to dispute the information provided in their Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class Member and the Parties will make the final decision as to the number of eligible Workweeks that should be applied and/or the Individual Settlement Payment to which the Class Member may be entitled. If the Parties do not agree, the dispute will be submitted to the Court.

53. Defective Submissions: If a Class Member's Request for Exclusion is defective as

1 to the requirements listed herein, that Class Member will be given an opportunity to cure the
2 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
3 business days of receiving the defective submission to advise the Class Member that his or her
4 submission is defective and that the defect must be cured to render the Request for Exclusion
5 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
6 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
7 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
8 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
9 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
10 untimely.

11 54. Request for Exclusion Procedures: Any Class Member wishing to opt-out from
12 the release of the Released Class Claims must sign and postmark a written Request for Exclusion
13 to the Settlement Administrator by the Response Deadline. The Request for Exclusion must
14 include (a) the Class Member's name, address, telephone number, and the last four digits of the
15 Class Member's Social Security number and/or the Employee ID number and (b) a clear
16 statement requesting to be excluded from the settlement of the class claims. The date of the
17 postmark on the return mailing envelope receipt confirmation will be the exclusive means to
18 determine whether a Request for Exclusion has been timely submitted. All Requests for
19 Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class
20 Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. All
21 Class Members who do not request exclusion from the Action will be bound by all terms of the
22 Settlement Agreement if the Settlement is granted final approval by the Court. The Request for
23 Exclusion shall not be effective as to the release of claims arising under the Private Attorneys
24 General Act.

25 55. Defendant's Right to Rescind: If ten percent (10%) or more of the Class Members
26 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at
27 its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be
28 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising

1 this right and must make clear their intent to rescind the Agreement within fourteen (14) calendar
2 days of the Settlement Administrator notifying the Parties of these opt-outs. If Defendant
3 exercises its right to rescind the Agreement, Defendant shall be responsible for all Settlement
4 Administration Costs incurred to the date of rescission.

5 56. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the
6 complete funding of the Gross Settlement Amount, any Class Member who does not
7 affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion
8 will be bound by all of its terms, including those pertaining to the Released Class Claims, as well
9 as any Judgment that may be entered by the Court if it grants final approval to the Settlement.
10 Class Members who opt-out of the Settlement shall not be bound by such Judgment or the Class
11 Release. However, the opt-out shall not be effective as to the release of claims arising under the
12 Private Attorneys General Act. The names of Class Members who have opted-out of the
13 settlement shall be disclosed to the Counsel for both Plaintiffs and Defendant and noted in the
14 proposed Judgment submitted to the Court.

15 57. Objection Procedures: To object to the Class portion of the Settlement, a
16 Participating Class Member must postmark a valid Objection to the Settlement Administrator on
17 or before the Response Deadline. The Objection must be signed by the Participating Class
18 Member and contain all information required by this Settlement Agreement including the
19 employees full name, address, telephone number, the last four digits of their social security
20 number and/or Employee ID number, the name of the case and case number, and the specific
21 reason including any legal grounds for the Participating Class Members objection. The postmark
22 date will be deemed the exclusive means for determining that the Notice of Objection is timely.
23 Participating Class Members who fail to object in the manner specified above will be foreclosed
24 from making a written objection, but shall still have a right to appear at the Final Approval
25 Hearing in order to have their objections heard by the Court. At no time will any of the Parties or
26 their counsel seek to solicit or otherwise encourage Participating Class Members to submit
27 written objections to the Settlement or appeal from the Order and Judgment. Class Counsel will
28 not represent any Class Members with respect to any objections to this Settlement.

1 58. Certification Reports Regarding Individual Settlement Payment Calculations: The
2 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
3 which certifies: (a) the number of Class Members who have submitted valid Requests for
4 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
5 has submitted a challenge to any information contained in the Notice. Additionally, the
6 Settlement Administrator will provide to counsel for both Parties any updated reports regarding
7 the administration of the Settlement Agreement as needed or requested.

8 59. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
9 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
10 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
11 or her Settlement Check or PAGA payment check within 180 days, the uncashed funds, subject
12 to Court approval, shall be distributed to the Home Aid Orange County, 17821 17th Street, Suite
13 120, Tustin, CA 92780.

14 60. Administration of Taxes by the Settlement Administrator: The Settlement
15 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA
16 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for
17 all amounts paid pursuant to this Settlement. The Settlement Administrator will also be
18 responsible for forwarding all payroll taxes and penalties to the appropriate government
19 authorities.

20 61. Tax Liability: Defendant makes no representation as to the tax treatment or legal
21 effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are
22 not relying on any statement, representation, or calculation by Defendant or by the Settlement
23 Administrator in this regard. Plaintiffs and Participating Class Members understand and agree
24 that they will be solely responsible for the payment of any taxes and penalties assessed on the
25 payments described herein. Defendant's share of any employer payroll taxes and other required
26 employer withholdings due on the Individual Settlement Payments, including, but not limited to,
27 Defendant's FICA and FUTA contributions, shall be paid separate and apart from the Gross
28 Settlement Amount.

62. 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 shall 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, her 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.

63. 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.

64. Release by Participating Class Members: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating Class Members shall fully release and discharge the Released Parties from the Released Class Claims that arose during the Class Period. This release shall be binding on all Participating Class Members.

65. Release by the State of California and LWDA: Upon the complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant the

LWDA and the State of California, through Plaintiff as its agent and/or proxy, shall release and discharge the Released Parties from the Released PAGA Claims that arose during the PAGA Period. The Parties intend for this PAGA settlement to have claim preclusion, issue preclusion, or otherwise bar a representative action if an aggrieved employee were to bring a subsequent claim on behalf of the LWDA based on the same factual predicate as this action and covering the same time period.

66. Release of Additional Claims & Rights by Plaintiffs: Upon the funding of the Gross Settlement Amount, Plaintiffs agree—on behalf of themselves only—to the additional following General Release: In consideration of Defendant’s promises and agreements as set forth herein, Plaintiffs hereby fully release the Released Parties from any and all Released Class Claims and Released PAGA Claims and also generally release and discharge the Released Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against the Released Parties arising out of or relating to their employment by Defendant or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys’ fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiffs waive all rights and benefits afforded by California Civil Code Section 1542, which provides:

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

This release specifically excludes claims for unemployment insurance, disability, social

security, and workers compensation (with the exception of claims arising pursuant to California Labor Code Sections 132(a) and 4553)

67. Neutral Employment Reference: Defendant agrees that it will adopt a neutral reporting policy regarding any future employment references related to Plaintiffs. In the event that any potential or future employers of Plaintiffs request a reference regarding Defendant's employment of Plaintiffs, Defendant shall only provide the requested Plaintiff's dates of employment, job titles during employment, and final rate of pay. Defendant shall not refer to the Action or this Settlement.

68. Nullification of Settlement Agreement: In the event that: (a) the Court does not finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendant, and the Parties shall be returned to their original respective positions. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Should the Court fail to approve this settlement for any reason, the Parties agree that they will return to and attend mediation with a mutually agreed Mediator in an effort to reach a settlement that may be approved by the Court.

69. Preliminary Approval Hearing: Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees that it will not oppose Plaintiffs' motion for Preliminary Approval. Any failure by the Court to fully

1 and completely approve the Agreement as to the Action will result in this Settlement Agreement
2 and the Memorandum of Understanding entered into by the Parties, and all obligations under this
3 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

4 70. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of
5 the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and
6 with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
7 determine the Final Approval of the Settlement Agreement along with the amounts properly
8 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
9 Representative Enhancement Payments; and (d) the Settlement Administration Costs. Class
10 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any
11 failure by the Court to fully and completely approve the Settlement Agreement as to all of the
12 Action, or the entry of any Order by another Court with regard to any of the Action which has
13 the effect of modifying material terms of this Agreement or preventing the full and complete
14 approval of the Settlement Agreement as written and agreed to by the Parties, will result in this
15 Agreement and all obligations under this Agreement being null and void. Defendant agrees it
16 shall not oppose the granting of the Motion for Final Approval, provided Defendant has not
17 exercised its right to rescind pursuant to the terms of this Agreement.

18 71. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
19 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
20 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
21 continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement
22 of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment
23 matters as may be appropriate under court rules or as set forth in this Settlement.

24 72. Exhibits Incorporated by Reference: The terms of this Settlement include the
25 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully
26 set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

27 73. Entire Agreement: This Settlement Agreement and any attached Exhibits
28 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous

1 written or oral agreements may be deemed binding on the Parties.

2 74. Amendment or Modification: This Settlement Agreement may be amended or
3 modified only by a written instrument signed by counsel for all Parties or their successors-in-
4 interest and approved by the Court.

5 75. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
6 and represent they are expressly authorized by the Parties whom they represent to negotiate this
7 Settlement Agreement and to take all appropriate action required or permitted to be taken by
8 such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any
9 other documents required to effectuate the terms of this Settlement Agreement. The Parties and
10 their counsel will cooperate with each other and use their best efforts to affect the
11 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
12 content of any document needed to implement the Settlement, or on any supplemental provisions
13 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the
14 assistance of the Court to resolve such disagreement.

15 76. Binding on Successors and Assigns: This Settlement Agreement will be binding
16 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
17 defined.

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

20 78. Execution and Counterparts: This Settlement Agreement is subject only to the
21 execution of all Parties. However, the Settlement Agreement may be executed in one or more
22 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
23 of the signature page, will be deemed to be one and the same instrument provided that counsel
24 for the Parties will exchange among themselves original signed counterparts.

25 79. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe
26 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
27 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
28 litigation, taking into account all relevant factors, present and potential. The Parties further

1 acknowledge that they are each represented by competent counsel and that they have had an
2 opportunity to consult with their counsel regarding the fairness and reasonableness of this
3 Settlement.

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

8 81. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
9 class certification for purposes of this Settlement only; except, however, that either party may
10 appeal any court order that materially alters the Settlement Agreement's terms.

11 82. Class Action Certification for Settlement Purposes Only: The Parties agree to
12 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
13 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
14 that certification for purposes of the Settlement is not an admission that class action certification
15 is proper under the standards applied to contested certification motions and that this Agreement
16 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
17 should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other than
18 according to the Settlement's terms.

19 83. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
20 dispute that has arisen between them and to avoid the burden, expense and risk of continued
21 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
22 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
23 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
24 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
25 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
26 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
27 construed as an admission or concession by Defendant of any such violations or failures to
28 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this

1 Agreement, this Agreement and its terms and provisions shall not be offered or received as
2 evidence in any action or proceeding to establish any liability or admission on the part of
3 Defendant or to establish the existence of any condition constituting a violation of, or a non-
4 compliance with, federal, state, local or other applicable law.

5 84. Captions: The captions and section numbers in this Agreement are inserted for the
6 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
7 provisions of this Agreement.

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

12 86. Enforcement Action: In the event that one or more of the Parties institutes any
13 legal action or other proceeding against any other Party or Parties to enforce the provisions of
14 this Settlement or to declare rights and/or obligations under this Settlement, the successful Party
15 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
16 fees and costs, including expert witness fees incurred in connection with any enforcement
17 actions.

18 87. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
19 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
20 strictly against one Party than another merely by virtue of the fact that it may have been prepared
21 by counsel for one of the Parties, it being recognized that, because of the arms-length
22 negotiations between the Parties, all Parties have contributed to the preparation of this Settlement
23 Agreement.

24 88. Representation By Counsel: The Parties acknowledge that they have been
25 represented by counsel throughout all negotiations that preceded the execution of this
26 Agreement, and that this Agreement has been executed with the consent and advice of counsel
27 and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no
28 liens on the Agreement.

89. All Terms Subject to Final Court Approval: All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

90. Cooperation and Execution of Necessary Documents: The Parties agree to cooperate to promote participation in the Settlement, and in seeking court approval of the Settlement. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class Member prior to the funding of the Gross Settlement Amount concerning claims released via this Agreement, or enter into any arbitration agreement with any Class Member that covers the claims released via this Agreement during the Settlement approval process prior to the funding of the Gross Settlement Amount and that the Parties will work in good faith to reach an agreement approved by the Court.


91. Confidentiality: The Parties and their counsel agree to keep the terms of the Settlement confidential until the filing of Plaintiffs' Motion for Preliminary Approval. Plaintiffs, Class Counsel, Defendant and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Nothing in this Settlement Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably required by law or in furtherance of business purposes, including the fulfillment of obligations stated in this Settlement Agreement or limit Class Counsel's communications with the Class Members in furtherance of approval of this Settlement.

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

[SIGNATURES ON FOLLOWING PAGE]

Dated: 12/11/2024

PLAINTIFF

Signed by:
By: 
0AC60D52F0814CF...
Janet Duenas

Dated:

PLAINTIFF

By:
Alejandra Martinez

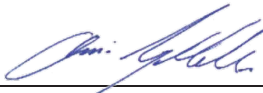
Dated:

PLAINTIFF

By:
Walter Rios

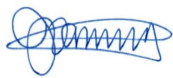
Dated: 12/13/2024

PROTECTION LAW GROUP, LLP

By: 
Amir Nayebdadash, Esq.
Attorneys for Plaintiff

Dated: 01/02/2025

LAWYERS FOR JUSTICE P.C.

By: 
Joanna Ghosh, Esq.
Attorneys for Plaintiff

[signatures continue]

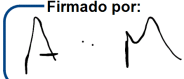
Dated: _____

PLAINTIFF

By: _____
Janet Duenas

Dated: 12/13/2024

PLAINTIFF

By:  _____
Firmado por:
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Alejandra Martinez

Dated: _____

PLAINTIFF

By: _____
Walter Rios

Dated: _____

PROTECTION LAW GROUP, LLP

By: _____
Amir Nayebdadash, Esq.
Attorneys for Plaintiff

Dated: _____

LAWYERS FOR JUSTICE P.C.

By: _____
Joanna Ghosh, Esq.
Attorneys for Plaintiff

[signatures continue]

Dated: _____

PLAINTIFF

By: _____
Janet Duenas

Dated: _____

PLAINTIFF

By: _____
Alejandra Martinez

Dated: 12/11/2024

PLAINTIFF

By:  Signed by: _____
Walter Rios

Dated: _____

PROTECTION LAW GROUP, LLP

By: _____
Amir Nayebdadash, Esq.
Attorneys for Plaintiff

Dated: _____

LAWYERS FOR JUSTICE P.C.

By: _____
Joanna Ghosh, Esq.
Attorneys for Plaintiff

[signatures continue]

1 Dated: 12/10/24

DEFENDANT

FIRST QUALITY PAINTING, INC.

By: 

4 Name: Sal Limenez

5 Title: President

7 Dated: 12/10/24

FLYER & FLYER.

By: 

David Flyer

Attorneys for Defendant