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8	Attorneys for Plaintiffs, JUAN VALDEZ and CESAR VALDEZ, on behalf of themselves and all others similarly situated		
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE		
11			
12	JUAN VALDEZ and CESAR VALDEZ, on	CASE NO.: 20STCV37793	
13	behalf of themselves and all others similarly situated,	[Assigned to the Hon. Elihu M. Berle in Dept. 6]	
14	Plaintiffs,	CLASS ACTION	
15	v.	JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE	
16	INTEGRATED BUILDING SERVICES,	ACTION AND REFRESENTATIVE ACTION SETTLEMENT	
17	INC., a California corporation; INTEGRATED BUILDING SERVICES,	Action Filed: October 2, 2020	
18	LLC, a canceled California limited liability company; PASADENA HOTEL	Trial Date: None Set	
19	OPERATOR, INC., a surrendered Delaware		
20	corporation; MERRITT HOSPITALITY, LLC, a Delaware limited liability company;		
21	ANGEL CIFUENTES, an individual; and DOES 1 through 100, inclusive,		
22	Defendants.		
23			
24	This Joint Stipulation re: Class Action and Representative Action Settlement		
25	("Settlement" or "Agreement" or "Settlement Agreement") is made by, between and among		
26	plaintiffs Juan Valdez ("Plaintiff Juan Valdez") and Cesar Valdez ("Plaintiff Cesar Valdez",		
27	collectively "Plaintiffs") individually and on behalf of the Settlement Class Members and the		
28	PAGA Members, as defined below, on the one hand; and defendants Pasadena Hotel Operator,		
	1		
	JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT		

LLC ("Pasadena Hotel") and Merritt Hospitality, LLC ("Merritt Hospitality" and, collectively,
 "Defendants"), on the other hand; in the lawsuit entitled *Juan Valdez, et al. v. Integrated Building Services, Inc., et al.*, filed in Los Angeles County, Spring Street, Superior Court, Case No.
 20STCV37793 (the "Action"). Plaintiffs and Defendants shall be, at times, collectively referred
 to as the "Parties." Subject to the approval of the Court, this Agreement is intended by the Parties
 to fully, finally, and forever resolve, discharge, and settle the claims as set forth herein, based
 upon and subject to the terms and conditions of this Agreement.

8

1.

# **DEFINITIONS**

9 A. "Action" means Juan Valdez, et al. v. Integrated Building Services, Inc., et al.,
10 filed in Los Angeles County, Spring Street, Superior Court, Case No. 20STCV37793.

B. "Class Claims" means all claims and causes of action alleged in the Complaint
except the claim under the Labor Code Private Attorneys General Act, codified at Labor Code
Section 2698, *et seq.* ("PAGA").

C. "Class Counsel" means: David D. Bibiyan, Diego Aviles, and Jeffrey Klein of
Bibiyan Law Group, P.C. The term "Class Counsel" shall be used synonymously with the term
"Plaintiffs' Counsel."

D. "Class Period" means the period from October 2, 2016, through December 31,
2019.

19 E. "Court" means the Superior Court of the State of California for the County of
20 Los Angeles.

F. "Defendants" shall refer to Pasadena Hotel Operator, LLC and Merritt
Hospitality, LLC.

G. "Effective Date" means the latest of the following dates: (i) the date that the
deadline for seeking appellate review of the Court's Final Approval Order and Judgment has
passed without the filing of a timely appeal or timely request for review (*i.e.* 60 days from Notice
of Entry of Judgment), or, if an appeal of the Court's Final Approval Order and Judgment is
commenced, then (ii) the date that the Court of Appeal or the California Supreme Court has
rendered a final ruling affirming the Court's Final Approval Order and Judgment without

1 material modification.

H. "Employer Taxes" means employer-funded taxes and contributions imposed on
the wage portions of the Individual Settlement Payments under the Federal Insurance
Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes
and contributions required of employers, such as for unemployment insurance.

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I. "Final Approval Order and Judgment" means the date the Court enters an Order granting final approval of this Settlement and enters Judgment in conformity with California Rules of Court rule 3.769(h).

9 J. "General Release" means the general release of claims by Plaintiffs, which is in
10 addition to their limited release of claims as Participating Class Members and PAGA Members.

11 K. "Gross Settlement Amount" means a non-reversionary fund in the sum of One 12 Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00), which shall be paid by 13 Defendants fourteen (14) calendar days after the Effective Date, and from which all payments 14 for the Individual Settlement Payments to Participating Class Members, Individual PAGA 15 Payments to PAGA Members, and the Court-approved amounts for attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel, Settlement Administration 16 17 Costs, a Service Award to Plaintiff, and the payment made to the Labor and Workforce 18 Development Agency ("LWDA") for resolution of Plaintiffs' PAGA cause of action, interest and 19 certain taxes shall be paid. It expressly excludes Employer Taxes, which shall be paid by 20 Defendants separate and apart from the Gross Settlement Amount.

L. "Individual PAGA Settlement Payment" means a payment to a PAGA Member
of his or her share of the PAGA payment for the release of his or her Released PAGA Claims,
regardless of whether the PAGA Member objects, opts out, or otherwise excludes himself or
herself from the release of Released Class Claims.

M. "Individual Class Settlement Payment" means a payment to a Participating
Class Member of his or her net share of the Net Settlement Amount, excluding any Individual
PAGA Payment to which he or she may be entitled if he or she is also a PAGA Member.

N. "Individual Settlement Share" means the gross amount of the Net Settlement
Amount that a Settlement Class Member is eligible to receive if he or she does not submit a
timely and valid Request for Exclusion, excluding any Individual PAGA Payment to which he
or she may be entitled if he or she is also a PAGA Member. The Class Member's Individual
Settlement Share is calculated by dividing the Net Settlement Amount by the total number of
known Class Members.

7 0. "LWDA Payment" means the payment to the LWDA for its seventy-five percent 8 (75%) share of the total amount allocated toward penalties under the PAGA, which is to be paid 9 from the Gross Settlement Amount. The Parties have agreed that Twenty Thousand Dollars and 10 Zero Cents (\$20,000.00) shall be allocated toward PAGA penalties ("PAGA Payment"), of which 11 Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be paid to the LWDA (i.e., the 12 LWDA Payment) and Five Thousand Dollars and Zero Cents (\$5,000.00) will be paid to PAGA 13 Members on a pro rata basis. The PAGA Member's pro rata share of the PAGA Payment is 14 calculated by dividing the portion of the PAGA Payment paid to PAGA Members by total 15 number of known PAGA Members.

P. "Net Settlement Amount" means the portion of the Gross Settlement Amount
that is available for distribution to Participating Class Members after deductions for the Courtapproved allocations for Settlement Administration Costs, a Service Award to Plaintiff, an award
of attorneys' fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA
Payment, and the Individual PAGA Payments.

Q. "Notice of Class Action Settlement" or "Class Notice" means the Notice of Class
Action Settlement, substantially in the form attached hereto as Exhibit A.

R. "Operative Complaint" or "Complaint" means the First Amended Complaint
filed in the Action.

S. "PAGA Members" means all non-exempt, hourly employees of Integrated
Building Services, Inc. and/or Integrated Building Services, LLC who worked at the Westin
Pasadena during the PAGA Period as non-exempt, hourly-paid employees.

28

T. "PAGA Settlement Payment" means the 25% allocation of the PAGA Payment

JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

(\$5,000), payable from the Gross Settlement Amount that will be paid to PAGA Members as
 Individual PAGA Settlement Payments.

3 U. "PAGA Period" means the period from July 28, 2019, through December 31,
4 2019.

5 V. "Participating Class Members" means all Settlement Class Members who do
6 not submit a timely and valid Request for Exclusion.

W. "Participating Individual Settlement Share" means the gross amount of the Net
Settlement Amount that a Participating Class Member is eligible to receive based on the number
of Workweeks that he or she worked as a Settlement Class Member during the Class Period once
all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she
may be entitled if he or she is also a PAGA Member.

12

13

**X.** "**Parties**" shall refer to Plaintiffs and Defendants collectively.

Y. "Plaintiffs" shall refer to Plaintiffs Juan Valdez and Cesar Valdez.

14 Z. "Preliminary Approval Date" means the date on which the Court enters an
15 Order granting preliminary approval of the Settlement.

AA. "Released Parties" shall include Integrated Building Services, Inc., Integrated
Building Services, LLC, Angel Cifuentes, Merritt Hospitality, LLC, Pasadena Hotel Operator,
LLC and each of their respective current and former direct and indirect owners, parents,
subsidiaries, brother-sister companies, and all other affiliates and related entities, and their
current and former partners, officers, directors, employees, attorneys, agents, and other related
parties.

BB. "Response Deadline" means the deadline for Settlement Class Members to mail
any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement Administrator,
which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English
and Spanish by the Settlement Administrator. The date of the postmark shall be the exclusive
means for determining whether a Request for Exclusion, Objection, or Workweek Dispute was
submitted by the Response Deadline.

28

CC. "Request for Exclusion" means a written request to be excluded from the

Settlement Class pursuant to Section 9.C below. A Request for Exclusion shall not apply to a
 PAGA Member's Individual PAGA Payment and all PAGA Members shall remain bound by the
 Released PAGA Claims regardless of their Request for Exclusion from the Class Settlement.

DD. "Service Award" refers to the monetary amount to be paid to Plaintiffs for their
services as Class Representatives, which shall be up to Seven Thousand, Five Hundred Dollars
and Zero Cents (\$7,500.00) for Plaintiff Juan Valdez and up to Seven Thousand, Five Hundred
Dollars and Zero Cents (\$7,500.00) for Plaintiff Cesar Valdez, for a total of up to Fifteen
Thousand Dollars and Zero Cents (\$15,000.00), which, subject to Court approval, will be paid
out of the Gross Settlement Amount.

10 EE. "Settlement Administration Costs" means all costs incurred by the Settlement 11 Administrator in administration of the Settlement, including, but not limited to, translating the 12 Class Notice to Spanish, engaging in efforts to locate Settlement Class Members, mailing the 13 Class Notice to the Settlement Class in English and Spanish, calculating Individual Settlement 14 Shares, Individual Settlement Payments, and Individual PAGA Payments, and associated taxes 15 and withholdings, providing declarations, generating Individual Settlement Payment and 16 Individual PAGA Payment checks and related tax reporting forms, doing administrative work 17 related to unclaimed checks, transmitting payment to Class Counsel for the Court-approved 18 amounts for attorneys' fees and reimbursement of litigation costs and expenses, to Plaintiffs for 19 their Service Awards, and to the LWDA from the LWDA Payment, providing weekly reports of 20 opt-outs, objections and related information, and any other actions of the Settlement 21 Administrator as set forth in this Agreement, all pursuant to the terms of this Agreement. The 22 Settlement Administration Costs are estimated not to exceed \$5,990.00. If the actual amount of 23 the Settlement Administration Costs is less than \$5,990.00 the difference between \$5,990.00 and 24 the actual Settlement Administration Costs shall be a part of the Net Settlement Amount. If the 25 Settlement Administration Costs exceed \$5,990.00 then such excess will be paid solely from the 26 Gross Settlement Amount and Defendants will not be responsible for paying any additional funds 27 in order to pay these additional costs.

28

FF. "Settlement Administrator" means ILYM Group, Inc.that will be responsible

for the administration of the Settlement including, without limitation, performing all duties set
 forth in this Agreement or by Court order.

GG. "Settlement Class," "Settlement Class Members," and "Class Members"
means all current and former employees who worked in California as non-exempt, hourly paid
employees for Integrated Building Services, Inc, and/or Integrated Building Services, LLC at
The Westin Pasadena at any time between October 2, 2016, and December 31, 2019.

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2.

# "<u>BACKGROUND</u>

A. On July 28, 2020, Plaintiff Juan Valdez filed with the LWDA and served on
Integrated Building Services, Inc. a notice under Labor Code section 2699.3 (the "PAGA Notice") stating Plaintiff intended to serve as a proxy of the LWDA to recover civil penalties for
purported aggrieved employees. The PAGA Notice includes violations of law pled in the Class
Action, in addition to a request for penalties for failure to comply with Labor Code sections 201,
202, 203, 204, 210, 226, 226.7, 246, 404, 432, 510, 512, 558, 558.1, 1174, 1194, 1194.2, 1197,
1198.5, 2802, and 2810.5.

B. On October 1, 2020, Plaintiff Juan Valdez filed an amended notice with the
LWDA to include Cesar Valdez as a named aggrieved employee and to add Integrated Business
Services, LLC, Merritt Hospitality, LLC, and F & B Associates as named employers.

18 C. On October 2, 2020, Plaintiffs filed a putative wage-and-hour class action against 19 Integrated Building Services, Inc., Integrated Building Services, LLC, Angel Cifuentes, F & B 20 Associates, and Pasadena Hotel Operator, Inc. in the Superior Court of California for the County 21 of Los Angeles, Case Number 20STCV37793 (i.e., the Action). Plaintiffs alleged that during the 22 Class Period, with respect to themselves and the Settlement Class Members, Defendants, *inter* 23 alia, (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide 24 compliant meal periods or compensation in lieu thereof; (4) failed to provide compliant rest 25 periods and compensation in lieu thereof; (5) failed to timely pay all wages due at the time of 26 termination or resignation; (6) failed to issue compliant and accurate itemized wage statements; 27 (7) failed to timely pay wages; (8) failed to reimburse employees for work related expenses; and 28 (9) engaged in unfair competition due to the alleged Labor Code violations.

D. On December 30, 2020, when 65 days passed without any communication from
the LWDA, Plaintiffs filed a First Amended Complaint ("FAC") in the Class Action adding
Merritt Hospitality as a defendant and adding a cause of action under PAGA for civil penalties
for themselves and other purported aggrieved employees under Labor Code sections 201, 202,
201.3, 203, 204, 204b, 205, 205.5, 210, 226, 226.3, 226.7, 512, 558, 558.1, 1174.5, 1194.2,
1197.1, 1197.5, 1199, 2802, 2810.5, and 2699 for the Labor Code violations set out in the PAGA
Notice (hereinafter, the "Action", "Litigation", or "Lawsuit").

8 E. On February 9, 2021, Plaintiffs filed an Amendment to Complaint –
9 Fictitious/Incorrect Name, replacing defendant Pasadena Hotel Operator, Inc. with Pasadena
10 Hotel Operator, LLC.

11 F. Shortly after the filing of this First Amended Complaint, the Parties agreed to 12 exchange informal discovery and attend an early mediation. Prior to mediation, Class Counsel 13 was provided with, among other things, available time and pay records, data points that would 14 allow an approximation of the number of workweeks in the Class Period, pay periods in the 15 PAGA Period, and the number of Class Members in the relevant statutory period for waiting time penalties and wage statement violations, written policies that would govern Class Members' 16 17 employment, as well as other information and documents provided informally by Integrated 18 Building Services, Inc., Integrated Building Services, LLC.

19 G. On July 23, 2021, the Parties participated in a mediation with Deborah Crandall
20 Saxe, Esq., a well-regarded mediator experienced in mediating complex civil disputes. With the
21 aid of the mediator's evaluation and after weeks of further negotiations, the Parties reached the
22 Settlement to resolve the Action.

H. Class Counsel have conducted investigation of the law and facts relating to the
claims asserted in the Action and has concluded that that the Settlement set forth herein is fair,
reasonable, adequate, and in the best interests of the Settlement Class, taking into account the
sharply contested issues involved, the expense and time necessary to litigate the Action through
trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse
outcome, the uncertainties of complex litigation, the information learned through informal

discovery regarding Plaintiff's allegations, the risks pertaining to collectability in connection
 with Integrated Building Services, Inc., Integrated Building Services, LLC, and the substantial
 benefits to be received by the Settlement Class Members.

I. Defendants have concluded that, because of the substantial expense of defending
against the Action, the length of time necessary to resolve the issues presented herein, the
inconvenience involved, and the concomitant disruption to their business operations, it is in their
best interest to accept the terms of this Agreement. Defendants deny each of the allegations and
claims asserted against them in the Action. However, Defendants nevertheless desire to settle
the Action for the purpose of avoiding the burden, expense, and uncertainty of continuing
litigation and for the purpose of putting to rest the controversies engendered by the Action.

J. This Agreement is intended to and does effectuate the full, final, and complete
resolution of all Released Claims of Plaintiffs, Settlement Class Members, and PAGA Members,
except those Settlement Class Members who submit a timely and valid Request for Exclusion.

14 **3.** 

# **JURISDICTION**

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment pursuant to California Rule of Court, rule 3.769, subdivision (h).

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# 4. <u>STIPULATION OF CLASS CERTIFICATION</u>

The Parties stipulate to the certification of the Settlement Class under this Agreement for
purposes of settlement only.

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# 5. <u>MOTION FOR PRELIMINARY APPROVAL</u>

Plaintiffs will move for an order granting preliminary approval of the Settlement,
approving and directing the mailing of the proposed Notice of Class Action Settlement ("Class
Notice") attached hereto as Exhibit "A", conditionally certifying the Settlement Class for
settlement purposes only, and approving the deadlines proposed by the Parties for the submission
of Requests for Exclusion, Workweek Disputes, and Objections, the papers in support of Final

Approval of the Settlement, and any responses to Objections or opposition papers to the Motion
 for Final Approval.

3

6.

#### STATEMENT OF NO ADMISSION

Defendants deny any wrongdoing of any sort and further deny any liability to Plaintiffs 4 5 and the Settlement Class with respect to any claims or allegations asserted in the Action. This 6 Agreement shall not be deemed an admission by Defendants of any claims or allegations asserted 7 in the Action. Except as set forth elsewhere herein, in the event that this Agreement is not 8 approved by the Court, or any appellate court, is terminated, or otherwise fails to be enforceable, 9 Plaintiffs will not be deemed to have waived, limited or affected in any way any claims, rights 10 or remedies, or defenses in the Action, and Defendants will not be deemed to have waived, 11 limited, or affected in any way any of its objections or defenses in the Action. The Parties shall 12 be restored to their respective positions in the Action prior to the entry of this Settlement.

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7.

A.

#### **RELEASE OF CLAIMS**

14

# Release by All Participating Class Members and All PAGA Members.

15 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry 16 of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross 17 Settlement Amount and Employer's Taxes necessary to effectuate the Settlement, Plaintiffs and 18 all Participating Class Members release the Released Parties of all claims against the Released 19 Parties asserted in the Complaint filed in the Action, or any and all claims that may be asserted 20 against the Released Parties based on the factual allegations in the Complaint filed in the Action, 21 as follows: For the duration of the Class Period, the release includes: (a) all claims for failure to 22 pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to 23 provide compliant meal and rest periods and associated premium pay; (d) all claims for the failure 24 to timely pay wages; (e) failure to timely pay all wages due upon termination or resignation; (f) 25 all claims for non-compliant wage statements; (g) failure to reimburse employees for work 26 related expenses (h) all claims asserted through California Business & Professions Code section 27 17200 et seq. arising out of the Labor Code violations referenced in the Complaint ("Class 28 Released Claims"). For PAGA Members, the release includes, for the duration of the PAGA Period, all claims for civil penalties arising out of the Class Released Claims, as well as all claims
for civil penalties under PAGA, as alleged in the PAGA Notice and Operative Complaint, arising
out of Labor Code Sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 404, 432, 510, 512,
558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198.5, 2802, 2810.5 and 2699 based on the
factual allegations and Labor Code sections alleged to have been violated in the PAGA Notice
and Operative Complaint ("PAGA Released Claims"). Collectively, the Settlement Class
Released Claims and PAGA Released Claims shall be referred to as the "Released Claims".

8

# B. General Release.

9 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry 10 of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross 11 Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, in addition to 12 the Released Claims, Plaintiffs make the additional following General Release: Plaintiffs release 13 the Released Parties from all claims, demands, rights, liabilities and causes of action of every 14 nature and description whatsoever, known or unknown, asserted or that might have been asserted, 15 whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation 16 arising out of, relating to, or in connection with any act or omission of the Released Parties 17 through the date of full execution of this Agreement in connection with his employment or the 18 termination thereof. With respect to the General Release, Plaintiffs stipulate and agree that, 19 through the Final Approval Date, Plaintiffs shall be deemed to have, and by operation of the Final 20 Judgment and payment to the Settlement Administrator shall have, expressly waived and 21 relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 22 1542 of the California Civil Code, or any other similar provision under federal or state law, which 23 provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor or released party.

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# SETTLEMENT ADMINISTRATOR

2 Plaintiff and Defendants, through their respective counsel, have selected ILYM Group, 3 Inc. to administer the Settlement, which includes but is not limited to translating the Class Notice 4 to Spanish, distributing and responding to inquiries about the Class Notice and calculating all 5 amounts to be paid from the Gross Settlement Amount. Charges and expenses of the Settlement 6 Administrator, currently estimated to be \$5,990.00will be paid from the Gross Settlement 7 Amount. If the actual Settlement Administrator fees are less than \$5,990.00 the difference will 8 remain a part of the Net Settlement Amount.

9

9.

A.

10

# Notice to the Settlement Class Members.

NOTICE, OBJECTION, AND EXCLUSION PROCESS

11 (1)Within seven (7) calendar days after the Preliminary Approval Date, 12 Plaintiffs' Counsel shall provide the Settlement Administrator with information available to them 13 with respect to each Settlement Class Member, including his or her: (1) name, last known 14 address(es) and last known telephone number(s); (2) Social Security Numbers; and (3) the hire 15 dates and termination dates for each Settlement Class Member ("Class List"). The Settlement 16 Administrator shall perform an address search using the United States Postal Service National 17 Change of Address ("NCOA") database and update the addresses contained on the Class List 18 with the newly found addresses, if any. Within seven (7) calendar days of receiving the Class 19 List and any other information shared by Class Counsel, the Settlement Administrator shall mail 20 the Class Notice in English and Spanish to the Settlement Class Members via first-class regular 21 U.S. Mail using the most current mailing address information available. The Settlement 22 Administrator shall maintain a list with names and all addresses to which notice was given, and 23 digital copies of all the Settlement Administrator's records evidencing the giving of notice to any 24 Settlement Class Member, for at least four (4) years from the Final Approval Date. Such 25 information shall be available to Class Counsel and Defendants' Counsel upon request.

26

(2)The Class Notice will be in the form attached hereto as Exhibit A.

27 (3) If a Class Notice from the initial notice mailing is returned as 28 undeliverable, the Settlement Administrator will attempt to obtain a current address for the Settlement Class Member to whom the returned Class Notice had been mailed, within five (5) calendar days of receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it will promptly re-mail the Class Notice to the Settlement Class Member. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly remailed to the forwarding address affixed thereto.

8 (4) No later than seven (7) calendar days from the Response Deadline,
9 the Settlement Administrator shall provide counsel for the Parties with a
10 declaration attesting to the completion of the notice process, including the
11 number of attempts to obtain valid mailing addresses for and re-sending of
12 any returned Class Notices, as well as the identities, number of, and copies
13 of all Requests for Exclusion and objections/comments received by the
14 Settlement Administrator.

#### B. Objections.

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16 Only Settlement Class Members who do not opt out of the Settlement (i.e., Participating 17 Class Members) may object to the Settlement. In order for any Settlement Class Member to 18 object to this Settlement in writing, or any term of it, he or she must do so by mailing a written 19 objection to the Settlement Administrator at the address or phone number provided on the Class 20 Notice no later than the Response Deadline. The Settlement Administrator shall email a copy of 21 the Objection forthwith to Class Counsel and Defendant's counsel and attach copies of all 22 Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support 23 of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the 24 objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social 25 Security Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to 26 appear at the Final Approval Hearing; and (6) the reason(s) for the Objection, along with 27 whatever legal authority, if any, the objector asserts in support of the Objection. If a Settlement 28 Class Member objects to the Settlement, the Settlement Class Member will remain a member of

1 the Settlement Class and if the Court approves this Agreement, the Settlement Class Member 2 will be bound by the terms of the Settlement in the same way and to the same extent as a 3 Settlement Class Member who does not object. The date of mailing of the Class Notice to the 4 objecting Settlement Class Member shall be conclusively determined according to the records of 5 the Settlement Administrator. Settlement Class Members need not object in writing to be heard 6 at the Final Approval Hearing; they may object or comment in person at the hearing at their own 7 expense. Class Counsel and Defendant's Counsel may respond to any objection lodged with the 8 Court up to five (5) court days before the Final Approval Hearing.

9

# C. Requesting Exclusion.

10 Any Settlement Class Member may request exclusion from (*i.e.*, "opt out" of) the 11 Settlement by mailing a written request to be excluded from the Settlement ("Request for 12 Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline. 13 To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class 14 Member's Social Security Number; (3) the Class Member's signature; and (4) the following 15 statement: "Please exclude me from the Settlement Class in the Juan Valdez, et al. v. Integrated 16 Building Services, Inc., et al., matter" or a statement of similar meaning. The Settlement 17 Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel 18 and Defendant's Counsel and shall report the Requests for Exclusions that it receives, to the 19 Court, in its declaration to be provided in advance of the Final Approval Hearing. Any Settlement 20 Class Member who requests exclusion using this procedure will not be entitled to receive any 21 Settlement Class Payment from the Settlement and will not be bound by the Settlement 22 Agreement or have any right to object to, appeal, or comment on the Settlement. Any Settlement 23 Class Member who does not opt out of the Settlement by submitting a timely and valid Request 24 for Exclusion will be bound by all terms of the Settlement, including those pertaining to the 25 Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of 26 the Settlement is granted. A Settlement Class Member cannot submit both a Request for 27 Exclusion and an objection. If a Settlement Class Member submits an objection and a Request 28 for Exclusion, the Request for Exclusion will control and the Objection will be overruled. PAGA

Members are not entitled to exclude themselves from the PAGA Settlement, and they will still
 receive their *pro rata* share of the PAGA Payment, and will be bound by the release of the PAGA
 Released Claims.

D. Extension of Response Deadline for Remailing

Class Members who are re-mailed a Class Notice shall have fifteen (15) days from the
re-mailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is later,
in which to postmark a Request for Exclusion, or Objection. The date of the postmark shall be
the exclusive means for determining whether a Request for Exclusion, or Objection was
submitted by the Response Deadline.

 10
 10.
 INDIVIDUAL SETTLEMENT PAYMENTS TO PARTICIPATING CLASS

 11
 MEMBERS

Individual Settlement Payments will be calculated and distributed to Participating Class
Members from the Net Settlement Amount on a *pro rata* basis, by dividing the Net Settlement
Fund by the total number of known Participating Class Members. Individual PAGA Payments
to PAGA Members will be calculated and distributed to PAGA Members from the PAGA
Payment on a *pro rata* basis by dividing the PAGA Payment by the total number of known
PAGA Members.

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# 11. **DISTRIBUTION OF PAYMENTS**

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# A. Distribution of Individual Settlement Payments and Individual PAGA Payments.

Participating Class Members will receive an Individual Settlement Payment and PAGA
Members will receive an Individual PAGA Payment. Individual Settlement Payment and
Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty
(180) calendar days after the date of their issuance. Within seven (7) calendar days after
expiration of the 180-day period, checks for such payments shall be
canceled and funds associated with such checks shall be considered unpaid, unclaimed or

- 27 abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid
- 28 Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil

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JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street,
 Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Los Angeles
 County. The Settlement Administrator shall prepare a report regarding the distribution plan
 pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court
 by Class Counsel along with a proposed amended judgment that is consistent with the
 provisions of Code of Civil Procedure section 384.

7

# **B.** Funding of Settlement.

8 Defendants shall pay the Gross Settlement Amount of One Hundred Thousand Fifty 9 Thousand, Dollars and Zero Cents (\$150,000.00), unless the same is escalated pursuant to 10 Paragraph 16 below (and in such event, the escalated amount) to the Settlement Administrator in 11 addition to Employer's Taxes within fifteen (15) calendar days of the Effective Date. All amounts 12 must be paid to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-13 1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured 14 banking institution, for distribution in accordance with this Agreement and the Court's Orders 15 and subject to the conditions described herein. Individual Settlement Payments for Class 16 Members and Individual PAGA Payments to PAGA Members shall be paid exclusively from the 17 QSA, pursuant to the settlement formula set forth herein.

18 Payments from the QSA shall be made for (1) the Service Award to Plaintiffs as specified 19 in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid 20 to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement 21 Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA 22 Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA 23 Payments to PAGA Members on a *pro rata* basis. The balance any and any accrued interest 24 thereon remaining shall constitute the Net Settlement Amount from which Individual Settlement 25 Payments shall be made to Participating Class Members, less applicable taxes and withholdings, 26 on a pro rata basis. All interest accrued shall be for the benefit of the Class Members and PAGA 27 Members and distributed in a pro-rata basis.

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# C. Time for Distribution.

No more than seven (7) calendar days after payment of the full Gross Settlement Amount
(as the same may be escalated by Paragraph 16 below) by Defendants, as well as Employer Taxes,
the Settlement Administrator shall distribute all payments due under the Settlement, including
the Individual Settlement Payments to Participating Class Members and Individual PAGA
Payments to PAGA Members, as well as the Court-approved payments for the Service Award to
Plaintiff, attorneys' fees and litigation costs and expenses to Class Counsel, administration costs
to the Settlement Administrator, and the LWDA Payment.

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# 12. <u>ATTORNEYS' FEES AND LITIGATION COSTS</u>

9 Class Counsel shall apply for, and Defendants shall not oppose, an award of attorneys' 10 fees of up to thirty-five percent (35%) of the Gross Settlement Amount, which, unless escalated 11 pursuant to Paragraph 16 of this Agreement, shall amount to Fifty-Two Thousand, Five Hundred 12 Dollars and Zero Cents (\$52,500.00). Class Counsel shall further apply for, and Defendants shall 13 not oppose, an application or motion by Class Counsel for reimbursement of actual costs 14 associated with Class Counsel's prosecution of this matter as set forth by declaration from Class 15 Counsel including testimony in an amount up to Twenty-Five Thousand Dollars and Zero Cents 16 (\$25,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement 17 Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain 18 Final Approval of the settlement in the Action. The "future" aspect of the amounts stated herein 19 includes, without limitation, all time and expenses expended by Class Counsel (including any 20 appeals therein). There will be no additional charge of any kind to either the Settlement Class 21 Members or request for additional consideration from Defendants for such work unless, in the 22 event of a material breach of this Agreement by Defendants, Plaintiffs are required to move the 23 Court for enforcement of this Agreement. Should the Court approve attorneys' fees and/or 24 litigation costs and expenses in amounts that are less than the amounts provided for herein, then 25 the unapproved portion(s) shall be a part of the Net Settlement Amount.

### 26 || 13. <u>SERVICE AWARD TO PLAINTIFFS</u>

Plaintiffs shall seek, and Defendants shall not oppose, a Service Award in an amount not
to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff Juan

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JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

Valdez, and a service award in an amount not to exceed Seven Thousand Five Hundred Dollars
and Zero Cents (\$7,500.00) for Plaintiff Cesar Valdez for their participation in and assistance
with the Action, totaling up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) in total.
Any Service Award awarded to Plaintiffs shall be paid from the Gross Settlement Amount and
shall be reported on an IRS Form 1099. If the Court approves Service Awards to Plaintiffs in
less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net
Settlement Amount.

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14.

# TAXATION AND ALLOCATION

9 A. Each Individual Class Settlement Share shall be allocated as follows: 20% as 10 wages (to be reported on an IRS Form W2); and 80% as interest, premiums, 11 and statutory penalties (to be reported on an IRS Form 1099). The PAGA 12 Payments for civil penalties to the PAGA Members shall be reported on an 13 IRS Form 1099. The Parties agree that the employee's share of taxes and 14 withholdings with respect to the wage-portion of the Individual Settlement 15 Share will be withheld from the Individual Settlement Share in order to yield 16 the Individual Settlement Payment. The amount of federal income tax 17 withholding will be based upon a flat withholding rate for supplemental wage 18 payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or 19 supplemented. Income tax withholding will also be made pursuant to 20 applicable state and/or local withholding codes or regulations. 21 B. Forms W-2 and/or Forms 1099 will be distributed by the Settlement

Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes.

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C. All Employer Taxes shall be paid by Defendants separate, apart and above

JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

from

2 the Gross Settlement Amount. Defendants shall remain liable to pay the employer's share of
3 payroll taxes as described above.

D. Neither Counsel for Plaintiff nor Defendants intend anything contained in this
Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement
be relied upon as such within the meaning of United States Treasury Department Circular 230
(31 C.F.R. Part 10, as amended) or otherwise.

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# 15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION

9 The Parties agree to allocate Twenty Thousand Dollars and Zero Cents (\$20,000.00) of
10 the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five
11 percent (75%) of the amount allocated toward PAGA (\$15,000.00) will be paid to the LWDA
12 (*i.e.*, the LWDA Payment), and twenty-five percent (25%) will remain a part of the Net
13 Settlement Amount (\$5,000.00), to be distributed to PAGA Members on a *pro rata* basis (*i.e.*,
14 the Individual PAGA Payments).

# 15 16. COURT APPROVAL

16 This Agreement is contingent upon an order by the Court granting Final Approval of the 17 Settlement, and that the LWDA does not intervene and/or object to the Settlement. In the event 18 it becomes impossible to secure approval of the Settlement by the Court and the LWDA, the 19 Parties shall be restored to their respective positions in the Action prior to entry of this Settlement. 20 If this Settlement Agreement is voided, not approved by the Court or approval is reversed on 21 appeal, it shall have no force or effect and no Party shall be bound by its terms except to the 22 extent: (a) the Court reserves any authority to issue any appropriate orders when denying 23 approval; and/or (b) there are any terms and conditions in this Settlement Agreement specifically 24 stated to survive the Settlement Agreement being voided or not approved, and which control in 25 such an event.

- 26 17. NOTICE OF JUDGMENT
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In addition to any duties set out herein, the Settlement Administrator shall provide
 notice of the Final Judgment entered in the Action by posting the same on its website for at
 least three (3) years after the Judgment becomes final.

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# 18. <u>VOIDING SETTLEMENT</u>.

5 If the Court declines to approve any material term or condition of this Settlement 6 Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all 7 Parties herein at the option of any Party, within ten (10) days of receiving notice of the Court's 8 action. Further, Defendants have the option of voiding this Settlement Agreement within ten 9 (10) days of receiving notice that more than ten percent (10%) of the Class Members have 10 timely completed valid requests to be excluded from the settlement. Any Party voiding the 11 Settlement shall be solely responsible for settlement administration costs incurred through the 12 date of voiding the Settlement.

13 19.

# . <u>ENFORCEMENT</u>.

If a Party to this Settlement Agreement institutes any legal action, arbitration, or other
proceeding against any other Party or Parties to enforce the provisions of this Settlement
Agreement or to declare rights or obligations under this Settlement Agreement, then the
prevailing Party shall recover from the unsuccessful Party, reasonable attorneys' fees and costs.

18

# 20. <u>EMPLOYEE BENEFITS</u>.

19 The amounts paid under this Settlement Agreement do not represent a modification of 20 any previously credited hours of service under any employee benefit plan or policy sponsored 21 by Defendants or Released Parties. Such amounts will not form the basis for additional 22 contributions to, benefits under, or any other monetary entitlement under, any benefit plans, 23 policies or programs. Any payments made under the terms of this Settlement Agreement shall 24 not be applied retroactively, currently or on a going-forward basis as salary, earnings, wages 25 or any other form of compensation for the purposes of any sponsored benefit plan, policy or 26 bonus program, including, but not limited to, vacation, leave, and sick policies. Defendants 27 and Released Parties retain the right to modify the language of any benefit plans, policies and 28 programs to effect this intent and to make clear that any amounts paid pursuant to this

Settlement Agreement are not for any measuring term as defined by applicable plans, policies,
 and programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that
 additional contributions or benefits are not required by this Settlement Agreement.

#### 21. <u>MISCELLANEOUS PROVISIONS</u>

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## A. Interpretation of the Agreement.

6 This Agreement constitutes the entire agreement between Plaintiffs and Defendants with 7 respect to its subject matter. Except as expressly provided herein, this Agreement has not been 8 executed in reliance upon any other written or oral representations or terms, and no such extrinsic 9 oral or written representations or terms shall modify, vary or contradict its terms. In entering 10 into this Agreement, the Parties agree that this Agreement is to be construed according to its 11 terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be 12 interpreted and enforced under the laws of the State of California, both in its procedural and 13 substantive aspects, without regard to its conflict of law provisions. Any claim arising out of or 14 relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively 15 in the Superior Court of the State of California for the County of Los Angeles, and Plaintiffs and 16 Defendants hereby consent to the personal jurisdiction of the Court in the Action over it solely 17 in connection therewith. Plaintiffs, on Plaintiffs' own behalf and on behalf of the Settlement 18 Class, and Defendants participated in the negotiation and drafting of this Agreement and had 19 available to them the advice and assistance of independent counsel. As such, neither Plaintiffs 20 nor Defendants may claim that any ambiguity in this Agreement should be construed against the 21 other. The Agreement may be modified only by a writing signed by counsel for the Parties and 22 approved by the Court.

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# **B.** Further Cooperation.

Plaintiffs, Defendants, and their respective attorneys shall proceed diligently to prepare
and execute all documents, to seek the necessary approvals from the Court, and to do all things
reasonably necessary to consummate the Settlement as expeditiously as possible.

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1	C. Counterparts.		
2	The Agreement may be executed in one or more actual or non-original counterparts, all		
3	of which will be considered one and the same instrument and all of which will be considered		
4	duplicate originals.		
5	D. Authority.		
6	Each individual signing below warrants that he or she has the authority to execute this		
7	Agreement on behalf of the party for whom or which that individual signs.		
8	E. No Third-Party Beneficiaries.		
9	Plaintiffs, Participating Class Members, Class Counsel, and Defendants are direct		
10	beneficiaries of this Agreement, but there are no third-party beneficiaries.		
11	F. Deadlines Falling on Weekends or Holidays.		
12	To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,		
13	or legal holiday, that deadline shall be continued until the following business day.		
14	G. Severability.		
15	In the event that one or more of the provisions contained in this Agreement shall for any		
16	reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or		
17	unenforceability shall in no way effect any other provision if Defendants' Counsel and Class		
18	Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed		
19	as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.		
20	IT IS SO AGREED:		
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22			
23	Dated:, 2022		
24	Plaintiff and Class Representative		
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26			
27	Dated:, 2022CESAR VALDEZ		
28	Plaintiff and Class Representative		
	22		
	JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT		

### C. Counterparts.

The Agreement may be executed in one or more actual or non-original counterparts, all
of which will be considered one and the same instrument and all of which will be considered
duplicate originals.

D. Authority.

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

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E. No Third-Party Beneficiaries.

9 Plaintiffs, Participating Class Members, Class Counsel, and Defendants are direct
10 beneficiaries of this Agreement, but there are no third-party beneficiaries.

F. Deadlines Falling on Weekends or Holidays.

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

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Dated:

#### G. Severability.

In the event that one or more of the provisions contained in this Agreement shall for any
reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
unenforceability shall in no way effect any other provision if Defendants' Counsel and Class
Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed
as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

**IT IS SO AGREED:** 

Dated: Jul 28, 2022

Juan (Jul 28, 2022 08:38 PDT)

JUAN VALDEZ Plaintiff and Class Representative

CESAR VALDEZ Plaintiff and Class Representative

22 JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

#### C. Counterparts.

2 The Agreement may be executed in one or more actual or non-original counterparts, all 3 of which will be considered one and the same instrument and all of which will be considered 4 duplicate originals.

D. Authority.

6 Each individual signing below warrants that he or she has the authority to execute this 7 Agreement on behalf of the party for whom or which that individual signs.

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Ε. No Third-Party Beneficiaries.

9 Plaintiffs, Participating Class Members, Class Counsel, and Defendants are direct 10 beneficiaries of this Agreement, but there are no third-party beneficiaries.

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#### F. **Deadlines Falling on Weekends or Holidays.**

12 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, 13 or legal holiday, that deadline shall be continued until the following business day.

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#### G. Severability.

15 In the event that one or more of the provisions contained in this Agreement shall for any 16 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or 17 unenforceability shall in no way effect any other provision if Defendants' Counsel and Class 18 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. 19

# **IT IS SO AGREED:**

,2022 Dated: Dated: Jul 13, 2022

JUAN VALDEZ Plaintiff and Class Representative

(Jul 13, 2022 14:27 PDT)

CESAR VALDEZ Plaintiff and Class Representative

22 JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT





