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14 JOHN ANTHONY KEYS AND SHANTELL JORDAN

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **COUNTY OF CONTRA COSTA**

18 JOHN ANTHONY KEYS and SHANTELL
JORDAN, individually, and on behalf of all
19 others similarly situated,

20 Plaintiff,

21 vs.

22 FRESCHI AIR SYSTEMS, LLC, a limited
liability company; and DOES 1 through 10,
23 inclusive,

24 Defendants.

) Case No. C22-02747
)
) Assigned for All Purposes To:
) Judge: Edward G. Weil
) Dept: 39
)
) **CLASS AND PAGA ACTION**
) **SETTLEMENT AGREEMENT AND**
) **RELEASE OF CLAIMS**
)
)
) Action Filed: December 27, 2022
)

1 This Class and California Private Attorneys General Act (“PAGA”) Action Settlement
2 Agreement and Release of Claims is entered into by and between Plaintiffs John Anthony Keys and
3 Shantell Jordan (“Plaintiffs”), individually, on behalf of all others similarly situated, and on behalf
4 of the interests of the California Labor and Workforce Development Agency (“LWDA”) and
5 Aggrieved Employees, on the one hand, and Defendant Freschi Air Systems, LLC (“Defendant”),
6 on the other hand, and is approved by their respective counsels of record, subject to the terms and
7 conditions hereof and the Court’s approval.

8 **A. Definitions.**

9 1. “Action” means and refers to the lawsuit filed by Plaintiffs against Defendant to be
10 amended, as described in Paragraphs 45 and 47 below.

11 2. “Additional Claims” means and refers to the additional Labor Code provisions,
12 claims and/or theories to be asserted by Plaintiff in the Amended LWDA Letter and/or Third
13 Amended Complaint, subject to Paragraphs 46 and 47 below.

14 3. “Administrator” means and refers to Apex Class Action Administration, the third-
15 party class and PAGA action settlement administrator agreed to by the Parties, that will provide the
16 Notice to the Class Members and distribute the settlement amounts as described in this Agreement.

17 4. “Administration Costs” refers to the costs incurred by the Administrator (not to
18 exceed \$6,990.00) for administering this Settlement, including, but not limited to, printing, mailing,
19 re-mailing (if necessary), distributing, and tracking of the Notice to Class and/or PAGA Group
20 Members; tax reporting; reporting and remittance of the employee and employer share of payroll
21 taxes and submitting all other government and tax filings required by law; computing and
22 distributing Individual Class and PAGA Payments, the Enhancement Awards, Attorneys’ Fees and
23 Costs and the LWDA Payment; unclaimed property due diligence; and providing necessary reports
24 to the Parties and declarations to the Court, as requested by the Parties. The Administration Costs
25 shall be paid from the Gross Settlement Amount.

26 5. “Aggrieved Employees” means and refers to all current and former non-exempt
27 hourly-paid employees and Residential Sales Consultants who worked for Defendant in California
28 during the PAGA Period.

29 6. “Agreement”, “Settlement” or “Settlement Agreement” means and refers to this

1 Class and PAGA Action Settlement Agreement and Release of Claims, including any attached
2 Exhibits.

3 7. “Amended LWDA Letter” refers to the Amended LWDA Letter to be filed by
4 Plaintiffs, which will incorporate all Additional Claims therein, such that the Amended LWDA will
5 allege all of the Released PAGA Claims.

6 8. “Attorneys’ Fees and Cost Award” shall have the meaning ascribed to it in
7 Paragraph 50(f) below.

8 9. “Class” means and refers to all current and former non-exempt hourly-paid
9 employees and Residential Sales Consultants who worked for Defendant during the Class Period.

10 10. “Class Counsel” means and refers to Kane Moon, Enzo Nabiev and Matt Dial of the
11 Moon Law Group, P.C.

12 11. “Class Data” means and refers to a list that Defendant will diligently and in good
13 faith compile from their records and provide to the Administrator on one spreadsheet which shall
14 include, for each Class Member, the individual’s full name; last known address; Social Security
15 number; total Weeks Worked during the Class Period and the PAGA Period.

16 12. “Class Member(s)” means and refers to individual members of the Class.

17 13. “Class Period” means and refers to the period of December 27, 2018, through April
18 1, 2025, subject to the Escalator Clause, see Paragraph 50(a) below.

19 14. “Class Representatives” or “Plaintiffs” means and refers to John Anthony Keys and
20 Shantell Jordan.

21 15. “Court” (or “Judge”) means and refers to the California Superior Court, County of
22 Contra Costa.

23 16. “Defendant” means and refers to Freschi Air Systems, LLC.

24 “Defendant’s Counsel” or “Defense Counsel” means and refers to Alison Tsao, Marianne Koepf,
25 and Candace Desbaillets of CDF Labor Law LLP.

26 17. “Effective Date” ” The “Effective Date” of this Settlement shall be the later of (a) if
27 there are no objections to the Settlement, the sixty-first (61st) day after service of notice of entry of
28 the Judgment entered by the Court; (b) if there are objections to the Settlement, and if an appeal,

1 review or writ is not sought from the Judgment, the sixty-first (61st) day after the date after service
2 of notice of entry of the Judgment; or (c) if an appeal, review or writ is sought from the Judgment,
3 the date upon which all appellate and/or other proceedings resulting from the appeal, review or writ
4 have been finally terminated in such a manner as to permit the Judgment to take effect in
5 substantially the form described herein.

6 18. "Enhancement Award" means and refers to the amount approved by the Court to be
7 paid to the Class Representatives in addition to their Individual Class Payment and Individual
8 PAGA Payment.

9 19. "Escalator" refers to the clause that allows for an increase in the Gross Settlement
10 Amount under certain conditions described in Paragraph 50(a), below.

11 20. "Final Approval" means and refers to the order of the Court granting final approval
12 of this Settlement Agreement and entering a judgment approving this Settlement Agreement
13 pursuant to the terms provided herein or as may be modified by subsequent agreement of the
14 Parties.

15 21. "Gross Settlement Amount" is Four Hundred Eighty Thousand Dollars
16 (\$480,000.00), exclusive of Defendant's obligation to fund its share of payroll taxes on the wage
17 portion of the Individual Class Payments, as further discussed in Paragraph 50(b), below. The
18 Gross Settlement Amount may increase, at Defendant's sole election, if the Escalator is triggered
19 and according to the terms of the Escalator Clause, as set forth in Paragraph 50(a) below.

20 22. "Individual Class Payment" means and refers to each Participating Class Member's
21 pro rata share of the Net Settlement Amount, as further discussed in Paragraph 50(c) below.

22 23. "Individual PAGA Payment" means and refers to each Aggrieved Employee's pro
23 rata share of 25% of the PAGA Penalties, as further discussed in Paragraph 50(d) below.

24 24. "LWDA" means and refers to California's Labor Workforce Development Agency.

25 25. "Net Settlement Amount" is defined as the Gross Settlement Amount less the
26 Attorneys' Fees and Costs Award as approved by the Court, the Enhancement Award Payments to
27 the Class Representatives as approved by the Court, the Administration Costs as approved by the
28 Court, and PAGA Penalties.

1 26. “Notice” means and refers to the notice of proposed class settlement that will be sent
2 to and advise each Class Member of the settlement, his or her portion of the settlement, and his or
3 her estimated Weeks Worked during the Class Period and PAGA Period and will further advise of
4 the setting of a Final Approval Hearing.

5 27. “Objecting Class Member” means a Class Member, other than Plaintiffs, who
6 submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 68
7 below.

8 28. “PAGA” means and refers to the California Private Attorneys General Act of 2004,
9 which is codified in California Labor Code §§ 2698 *et. seq.*

10 29. “PAGA Penalties” means and refers to the portion of the Settlement amount that the
11 Parties have allocated toward Plaintiffs’ PAGA claim, with 75% payable to the Labor and
12 Workforce Development Agency (“LWDA”) and 25% payable as Individual PAGA Payments to
13 the PAGA Group Members.

14 30. “PAGA Period” means and refers to the period of December 27, 2021, through
15 April 1, 2025, subject to the Escalator Clause, see Paragraph 50(a), below.

16 31. “Participating Class Member” means and refers to all Class Members who are
17 deemed to participate and receive an Individual Class Payment and do not opt-out by submitting
18 timely valid Requests for Exclusion.

19 32. “Parties” means and refers to Plaintiffs and Defendant, collectively.

20 33. “Plaintiffs” means Plaintiffs John Anthony Keys and Shantell Jordan.

21 34. “Preliminary Approval Date” means the date the Court approves the Parties’ Motion
22 for Preliminary Approval, the Settlement Agreement, and the exhibits thereto, and enters the
23 Preliminary Approval Order.

24 35. “Preliminary Approval Order” means the order to be entered by the Court, upon the
25 application or motion of the Plaintiffs, preliminarily approving this Settlement and providing for
26 the issuance of the Notice to the Class, an opportunity to opt out of the Settlement, an opportunity
27 to submit timely objections to the Settlement, and setting a final approval hearing on the fairness of
28 the terms of Settlement, including approval of attorneys’ fees and costs. Provided that Plaintiffs’

1 Motion for Preliminary Approval of the Settlement is consistent with the terms herein, Defendant is
2 provided a draft of the Motion for Preliminary Approval papers (including the draft notice,
3 memorandum in support, and any supporting declarations) at least 5 business days before the
4 Motion is filed, Defendant is permitted to review and comment upon the Motion before it is filed,
5 and Plaintiff adequately addresses any comments by Defendant, Defendant will not object to
6 Plaintiffs’ Motion for Preliminary Approval of the Settlement..

7 36. “QSF” means the Qualified Settlement Fund set up by the Administrator for the
8 benefit of the Participating Class Members, and from which the settlement payments shall be made,
9 and which is intended to be a fund that qualifies under Internal Revenue Code Section 468.

10 37. “Released Class Claims” or “Class Claims” by the Participating Class Members
11 against the Released Parties with all claims under state, federal, or local law, that were asserted or
12 could have been asserted based on the facts, claims or theories raised in the Third Amended
13 Complaint (to be filed) or any prior complaints; facts, claims or theories expressly raised in
14 Plaintiff’s amended notice to the LWDA (to be filed), or facts, claims or theories arising under any
15 applicable Wage Order, including but not limited to claims for violations of Labor Code sections
16 201-203, 204, 210, 226, 226.3, 226.7, 226.8, 227.3, 245-248.7, 510, 512, 558, 1174, 1174.5, 1194,
17 1194.2, 1197, 1197.1, 1198, 2802, and alleged violations of corresponding applicable California
18 IWC Wage Orders, which are supported by and/or based on the following theories: (1) failure to
19 pay all wages owed, including wages for work performed off-the-clock work (including filling out
20 daily health care questionnaires), on-call time, commission pay, auto-deductions from time, and/or
21 due to rounding of time; (2) failure to pay overtime and double time wages at the regular rate of
22 pay; (3) failure to provide compliant meal periods and/or pay meal periods premiums in lieu of
23 providing compliant meal breaks; (4) failure to authorize and permit compliant rest breaks and/or
24 failure to pay rest break premiums in lieu thereof; (5) failure to indemnify necessary business
25 expenses; (6) failure to timely pay wages during employment; (7) failure to timely pay final wages
26 at termination and within the time limits required by law; (8) failure to carry over and/or pay all
27 unused, accrued vacation and paid time off (PTO) pay at time of termination; (9) failure to provide
28 accurate itemized wage statements; (10) failure to maintain accurate time and payroll records, (11)

1 failure to provide suitable seating, (12) failure to pay paid sick leave (“PSL”) or Covid-19
 2 supplemental paid sick leave (“SPSL”) at the regular rate of pay; (13) misclassification of
 3 Residential Sales Consultants as exempt employees; and (14) violations of California’s unfair
 4 competition law, Calif. Bus. and Prof. Code §§ 17200 *et. seq.* (“UCL”). The time period governing
 5 the Released Class Claims shall be the same as the Class Period.

6 38. “Released PAGA Claims” by all Aggrieved Employees and California’s Labor
 7 Workforce Development Agency (“LWDA”) against the Released Parties means any and all
 8 claims for civil penalties under PAGA based on the facts, claims and theories that were asserted or
 9 could have been asserted under PAGA in the Third Amended Complaint (to be filed) or in the
 10 Amended LWDA Notice (to be filed), including but not limited to claims for violations of Labor
 11 Code sections 201-203, 204, 210, 226, 226.3, 226.7, 226.8, 227.3, 245-248.7, 510, 512, 558, 1174,
 12 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and alleged violations of corresponding applicable
 13 California IWC Wage Orders, which are supported by and/or based on the following theories: (1)
 14 failure to pay all wages owed, including wages for work performed off-the-clock work (including
 15 filling out daily health care questionnaires), on-call time, commission pay, auto-deductions from
 16 time, and/or due to rounding of time; (2) failure to pay overtime and double time wages at the
 17 regular rate of pay; (3) failure to provide compliant meal periods and/or pay meal periods
 18 premiums in lieu of providing compliant meal breaks; (4) failure to authorize and permit compliant
 19 rest breaks and/or failure to pay rest break premiums in lieu thereof; (5) failure to indemnify
 20 necessary business expenses; (6) failure to timely pay wages during employment; (7) failure to
 21 timely pay final wages at termination and within the time limits required by law; (8) failure to carry
 22 over and/or pay all unused, accrued vacation and paid time off (PTO) pay at time of termination;
 23 (9) failure to provide accurate itemized wage statements; (10) failure to maintain accurate time and
 24 payroll records, (11) failure to provide suitable seating, (12) failure to pay paid sick leave (“PSL”)
 25 or Covid-19 supplemental paid sick leave (“SPSL”) at the regular rate of pay; and (13)
 26 misclassification of Residential Sales Consultants as exempt employees. All Aggrieved Employees
 27 will receive a portion of the settlement designated as the alleged Aggrieved Employees’ portion of
 28 the PAGA Settlement Amount, regardless if such alleged Aggrieved Employees exclude

1 themselves or opt-out of the Settlement Class. The time period governing the Released PAGA
2 Claims shall be the same as the PAGA Period.

3 39. “Released Parties” means Defendant, Freschi Air Systems, LLC, together with its
4 affiliates, subsidiaries, and parent, and each of the foregoing entities’ current and former owners,
5 members, officers, directors, managers, employees, representatives, and agents.

6 40. “Request for Exclusion” means and refers to a valid and timely request for exclusion
7 from the Settlement of the Released Class Claims, which may be submitted by any Class Member,
8 other than Plaintiffs.

9 41. “Response Deadline” is 45 calendar days from the date the Notice is mailed to the
10 Class Members.

11 42. “Third Amended Complaint” refers to the Third Amended Complaint to be filed in
12 the Action, which will incorporate all Additional Claims therein, such that the Third Amended
13 Complaint will allege all of the Released Class Claims and Released PAGA Claims.

14 43. “Workweeks” or “Weeks Worked” in the context of a Class Member means any and
15 all workweeks during the Class Period during which the Class Member worked at least one day for
16 Defendant. Likewise, in the context of PAGA Group Members, it means any and all any and all
17 workweeks during the PAGA Period during which the PAGA Group Member worked at least one
18 day for Defendant.

19 **B. Summary of The Action.**

20 44. On December 27, 2022, Plaintiff Keys (“Keys”) filed a putative class action in
21 Contra Costa County Superior Court, Case No. C22-02747, alleging the following claims: (1)
22 failure to pay all wages owed, including wages for work performed off-the-clock work, on-call and
23 commission pay; (2) failure to pay overtime and double time wages; (3) failure to provide
24 compliant meal periods and/or pay meal periods premiums in lieu of providing compliant meal
25 breaks; (4) failure to authorize and permit compliant rest breaks and/or failure to pay rest break
26 premiums in lieu thereof; (5) failure to indemnify necessary business expenses; (6) failure to timely
27 pay wages during employment; (7) failure to timely pay final wages at termination and within the
28 time limits required by law; (8) failure to carry over and/or pay all unused, accrued vacation and

1 paid time off (PTO) pay at time of termination; (9) failure to provide accurate itemized wage
2 statements; (10) failure to maintain accurate time and payroll records, (11) failure to provide
3 suitable seating, and (12) violations of California’s unfair competition law, Calif. Bus. and Prof.
4 Code §§ 17200 et. seq. (“UCL”). The first nine claims are premised upon the following Labor
5 Code violations, which include Labor Code sections 201-203, 204, 210, 226, 226.3, 226.7, 227.3,
6 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and alleged violations of
7 corresponding applicable California Industrial Welfare Commission (“IWC”) Wage Orders. The
8 UCL claim is premised on the same alleged violations of California’s Labor Code and the IWC
9 Wage Orders. On March 14, 2023, Keys filed a First Amended Complaint amending the initial
10 complaint to add a ninth cause of action for civil penalties under California’s Private Attorneys
11 General Act (“PAGA”), which is premised on the same alleged Labor Code violations and IWC
12 Wage Orders. On April 23, 2024, Keys filed a Second Amended Complaint adding Shantell Jordan
13 as a named plaintiff. Before commencing the action, Plaintiff Keys submitted a letter to the
14 LWDA on or about December 25, 2022, alleging violations of the Labor Code and/or IWC Wage
15 Orders premised upon the same or similar theories of liability (“LWDA Letter”). On January 31,
16 2025, Plaintiffs agreed to file an Amended LWDA Letter and Third Amended Complaint to
17 address the Additional Claims discussed and negotiated at the Parties’ mediation. The Third
18 Amended Complaint, all prior complaints, the Amended LWDA Letter and the LWDA Letter filed
19 December 25, 2022, collectively refer to the “Action”.

20 **C. Filing of the Amended LWDA Complaint.**

21 45. As part of the Settlement, but prior to seeking approval of the Settlement, Plaintiff
22 Keys shall amend his letter to the LWDA dated December 25, 2022, to add the following claims
23 and theories that were referenced in the Second Amended Complaint (but not the LWDA letter) or
24 were raised and discussed at part of the Parties’ settlement discussions: Labor Code §§ 218.5 and
25 218.6, Labor Code §§ 245-248.7 (failure to pay paid sick leave (“PSL”) or Covid-19 supplemental
26 paid sick leave (“SPSL”) at the regular rate of pay; violation of Labor Code § 226.8
27 (misclassification of Residential Sales Consultants as exempt employees); failure to provide
28 suitable seating; failure to pay overtime or double time at the regular rate of pay; failure to pay time

1 for off-the-clock spent filling out healthcare questionnaires; failure to pay all wages due to
2 rounding of time; and failure to pay all wages due to auto-deduction of meal breaks (“Additional
3 Claims”).

4 **D. Filing of the Third Amended Complaint.**

5 46. To facilitate and seek approval of this settlement, the Parties will stipulate to
6 Plaintiffs filing of Third Amended Complaint in the Action to add Labor Code §§ 227.3 and
7 1197.1, as well as the Additional Claims specified in Paragraph 46, above, (other than Labor Code
8 §§ 218.5 and 218.6).

9 47. Defendant denies all of Plaintiffs’ claims and allegations in the Third Amended
10 Complaint without the necessity of Defendant filing an Answer to the Third Amended Complaint.

11 **E. Stipulation to Class Certification for Settlement Purposes.**

12 48. For settlement purposes only, the Parties stipulate that the Class Members described
13 herein who do not Request Exclusion from the Class may be conditionally certified as a Class. This
14 stipulation to certification is in no way an admission that class action certification is proper and
15 shall not be admissible in this or in any other action except for the sole purposes of enforcing this
16 Agreement. Should, for whatever reason, the Court fail to issue Final Approval, or should
17 Defendant exercise their rights under Paragraph 83 below, the Parties’ stipulation to class
18 certification as part of the Settlement shall become null and void and shall have no bearing on, and
19 shall not be admissible in connection with, the issue of whether certification would be appropriate
20 in a non-settlement context. Defendant expressly reserves its rights and declares that it would
21 continue to oppose class certification, and the substantive merits of the case should the Court fail to
22 issue Final Approval. Plaintiffs expressly reserve their rights and declare that they will continue to
23 pursue class certification, and a trial should the Court fail to issue Final Approval.

24 **F. Terms of Settlement**

25 49. The financial terms of the Settlement are as follows:

26 (a) Escalator Clause: This Settlement is premised on the Class Members
27 working approximately 13,226 Workweeks between December 27, 2018 and January 31, 2025
28

1 (excluding Workweeks for putative class members who previously signed general releases with
 2 Defendant). If the actual number of Workweeks exceeds 13,226 by more than 20%, i.e., 15,871
 3 workweeks (excluding workweeks for putative class members who previously signed general
 4 releases with Defendant) by the date of preliminary approval or by April 1, 2025 (within 60 days of
 5 the date the Parties signed the MOU), whichever is earlier, at Defendant’s sole election: (1) the
 6 Gross Settlement Amount will increase pro rata for those settlement class members above 15,871.
 7 In other words, if the number of weeks worked by settlement class members exceeds 15,871
 8 workweeks, (excluding putative class members who previously signed separation agreements with
 9 general releases), then the Gross Settlement Amount would be increased pro rata per Workweek,
 10 or, (2) the Class and PAGA Release Periods will end as of the date the number of Workweeks
 11 covered by this Settlement reaches 15,871 (excluding workweeks for Class Members who
 12 previously signed general releases with Defendant).

13 (b) Gross Settlement Amount: The Parties agree to settle the Action for the
 14 Gross Settlement Amount, subject to the Escalator clause (preceding subparagraph) and
 15 Defendant’s obligation to separately pay its share of payroll taxes on the wage portion of the
 16 Individual Class Payments, which is the maximum amount that will be paid by Defendant and
 17 includes Individual Class Payments, Class Counsel’s Attorneys’ Fees and Costs Award, the
 18 Enhancement Awards to the Plaintiffs, Administrator Costs, and PAGA Penalties.

19 (b) Net Settlement Amount: The Net Settlement Amount will be paid on a pro
 20 rata basis to the Participating Class Members. If the Court reduces the Attorneys’ Fees and Costs
 21 Award, Enhancement Awards, or Administrator Costs, or either increases or decreases the amount
 22 allocated to the PAGA Penalties, the Net Settlement Amount shall be increased or decreased
 23 accordingly, and the increase or decrease shall not impact the validity and enforceability of the
 24 Settlement.

25 (c) Calculation of Individual Class Payments: The Individual Class Payment for
 26 each Participating Class Member will be calculated by the Administrator using the Class Data
 27 provided by Defendant as follows. Compensable workweeks will be all Weeks Worked by the
 28 Participating Class Members during the Class Period. The dollars per compensable Workweek will

1 be calculated by dividing the Net Settlement Amount by the total number of Workweeks during the
 2 Class Period to determine a per Workweek value (“Workweek Value”). The Workweek Value will
 3 be multiplied by the number of Weeks Worked by a Participating Class Member during the Class
 4 Period to determine the distribution for a Participating Class Member.

5 (d) Allocation of Individual Class Payments: The Individual Class Payments to
 6 Participating Class Members will be allocated as follows: 30% will be allocated as wages subject to
 7 withholding of all applicable local, state and federal taxes (the “Wage Portion”); and 70% will be
 8 allocated for expenses, interest and statutory penalties (pursuant to, *e.g.*, California Labor Code
 9 sections 203, 210, and 226) from which no taxes will be withheld (the “Non-Wage Portion”). The
 10 Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-
 11 2 and comparable state forms with respect to the Wage Portion and an IRS Form 1099 with respect
 12 to the Non-Wage Portion.

13 (e) Enhancement Awards to Plaintiffs: The amount, if any, awarded to each
 14 Plaintiff as an Incentive Awards will be an amount set by the Court in its discretion, not to exceed
 15 \$7,500 each, in exchange for the services that Plaintiffs performed on behalf of the Class.
 16 Defendant agrees not to oppose Plaintiffs’ request for Incentive Awards. Plaintiffs will each be
 17 issued an IRS Form 1099 in connection with the Incentive Award payment. Plaintiffs shall be
 18 solely and legally responsible to pay all applicable taxes on this payment. The Parties agree that
 19 any amount awarded as the Incentive Awards to Plaintiffs less than the requested amount shall not
 20 be a basis for Class Counsel to void this Settlement Agreement. Should the Court approve a lesser
 21 amount for the Incentive Awards, the difference shall be added to the Net Settlement Amount to be
 22 distributed to the Participating Class Members.

23 (f) Attorneys’ Fees and Costs Award: Defendant agrees to not oppose a request
 24 by Class Counsel to the Court for an award of attorneys’ fees of one-third of the Gross Settlement
 25 Amount (\$160,000), plus reasonable litigation costs not to exceed \$35,000 (“Attorneys’ Fees and
 26 Cost Award”). The Attorneys’ Fees and Cost Award shall be paid from the Gross Settlement
 27 Amount, and, except for this award, Defendant shall have no further obligation to pay any
 28 attorneys’ fees, costs, or expenses to Class Counsel. Should the Court approve a lesser amount

1 than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount
 2 to be distributed to the Participating Class Members. Any Court order awarding less than the
 3 amount sought by Class Counsel shall not be grounds for Plaintiffs to rescind the Settlement
 4 Agreement or otherwise void the Settlement. The Administrator shall issue to Class Counsel an
 5 IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

6 (g) Administrator Costs: The fees and other charges of the Administrator APEX
 7 Class Action Administration will be paid from the Gross Settlement Amount, not to exceed
 8 \$6,990.00 unless approved by all Parties and the Court.

9 (h) PAGA Penalties: The Parties agree that \$50,000 is allocated to PAGA
 10 Penalties and is to be paid from the Gross Settlement Amount, subject to Court approval. Of this
 11 amount, \$37,500 (75%) shall be paid to the LWDA in satisfaction of civil penalties under the
 12 PAGA and \$12,500 (25%) will be paid to the Aggrieved Employees on a Pro rata basis based on
 13 the number of Weeks Worked by each Aggrieved Employee during the PAGA Period. The
 14 Individual PAGA Payments will be treated entirely as civil penalties and shall be reported as
 15 required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the
 16 Settlement.

17 (i) Tax Liability: Class Counsel, Defendant, and Defendant's counsel make no
 18 representations as to the tax treatment or legal effect of Settlement Amounts called for hereunder,
 19 and Plaintiffs and the Class Members are not relying on any statement or representation by Class
 20 Counsel, Defendant, or Defendant's counsel in this regard. Plaintiffs, Participating Class
 21 Members, and PAGA Group Members understand and agree that they will be solely responsible for
 22 the payment of any taxes and penalties assessed on their respective Individual Class Payments and
 23 Individual PAGA Payments and will hold Defendant harmless from and against any claims
 24 resulting from treatment of such payments as non-taxable damages.

25 (j) No Credit Toward Benefit Plans. The Individual Class Payments made to
 26 Participating Class Members and PAGA Group Members under this Agreement shall not be
 27 utilized to calculate any additional benefits under any benefit plans to which any Class Members
 28 may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock

1 purchase or other types of equity plans, vacation plans, sick leave plans, PTO plans, and any other
2 benefit plan. Rather, it is the Parties' intention that this Settlement will not affect any rights,
3 contributions, or amounts to which any Class Members may be entitled under any benefit plans.
4 The Parties agree that the amounts paid pursuant to this Settlement are not for days or hours
5 worked and are not included toward any regular rate of pay calculation, or any benefit vesting or
6 accrual purpose.

7 (k) No Credit Toward Benefit Plans. The Individual Class Payments made to
8 Participating Class Members and PAGA Group Members under this Agreement shall not be
9 utilized to calculate any additional benefits under any benefit plans to which any Class Members
10 may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock
11 purchase or other types of equity plans, vacation plans, sick leave plans, PTO plans, and any other
12 benefit plan. Rather, it is the Parties' intention that this Settlement will not affect any rights,
13 contributions, or amounts to which any Class Members may be entitled under any benefit plans.
14 The Parties agree that the amounts paid pursuant to this Settlement are not for days or hours
15 worked and are not included toward any regular rate of pay calculation, or any benefit vesting or
16 accrual purpose.

17 50. "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under no
18 circumstances will any portion of the Gross Settlement Amount revert to Defendant. Participating
19 Class Members and Aggrieved Employees will not have to make a claim in order to receive an
20 Individual Class Payment or Individual PAGA Payment. Distributions, in the form of an
21 Individual Class Payment or Individual PAGA Payment will be made directly to each Participating
22 Class Member and PAGA Group Member. If a Participating Class Member and/or Aggrieved
23 Employee does not cash his or her check(s) by the check cashing deadline, as set forth herein, the
24 Administrator will send the funds from those checks to the State of California's State Controller
25 Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to
26 each such Class Member or Aggrieved Employee.

27 51. Class Counsel and Plaintiffs believe that the Settlement is fair and reasonable, and
28 adequate, and will so represent same to the Court.

1 **G. Release by Participating Class Members.**

2 52. After the Effective Date of this Agreement and upon Defendant’s funding of the
3 Gross Settlement Amount, Plaintiffs and the Participating Class Members will forever completely
4 release and discharge the Released Parties from the Released Class Claims for the Class Period.

5 53. Each Participating Class Member will be deemed to have made the foregoing
6 Release as if by manually signing it.

7 54. Class Representatives, on behalf of themselves and the Class, acknowledge and
8 agree that the claims for unpaid wages and untimely payment of wages in the Action are disputed,
9 and that the payments set forth herein constitute payment of all sums allegedly due to them. Class
10 Representatives, on behalf of themselves and the Class, acknowledge and agree that Labor Code §
11 206.5 is not applicable to the Parties or Settlement. Labor Code § 206.5 provides in pertinent part
12 as follows: “An employer shall not require the execution of any release of any claim or right on
13 account of wages due, or to become due, or made as an advance on wages to be earned, unless
14 payment of those wages has been made.”

15 **H. Release of PAGA Claims.**

16 55. After the Effective Date of this Agreement and upon Defendant’s funding of the
17 Gross Settlement Amount, Plaintiffs, standing in the shoes of the California Labor
18 Commissioner/LWDA, and on behalf of the State of California and all Aggrieved Employees, will
19 forever completely release and discharge the Released Parties from the Released PAGA Claims
20 through the PAGA Period. It is the intent of the Parties that the Final Approval Order and
21 judgment entered by the Court shall have full equitable and collateral estoppel and *res judicata*
22 effect and be final and binding upon Aggrieved Employees regarding the Released PAGA Claims.

23 56. Regardless of submitting a valid Request for Exclusion, neither Plaintiffs nor any
24 Aggrieved Employee shall have the right to opt-out or otherwise exclude themselves from releasing
25 the Released PAGA Claims.

26 **I. General Release by Plaintiffs Keys and Jordan.**

27 57. Plaintiffs, each of them, do hereby, for themselves and their spouses, heirs,
28 successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators,

1 guardians, personal representatives, and assigns forever and completely release and discharge the
2 Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises,
3 agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses,
4 debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages,
5 exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the
6 beginning of time through the execution of this Agreement, whether known or unknown, suspected
7 or unsuspected, including but not limited to all claims arising out of, based upon, or relating to
8 Plaintiffs' employment with Defendant or the remuneration for or termination of such employment
9 ("General Release").

10 58. Without limiting the generality of the foregoing, this General Release by the
11 Plaintiffs includes all federal, state and local statutory claims, federal and state common law claims
12 (including but not limited to those for contract, tort and equity), including without limitation the
13 Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil
14 Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair Labor Standards
15 Act, the Employment Retirement Security Income Act of 1974, the California Constitution, the
16 California Fair Employment and Housing Act, the California Unfair Competition Act (California
17 Business and Professions Code section 17200 et seq.), and the California Labor Code.

18 59. Plaintiffs, each of them, agree that there is a risk that any injury that they may have
19 suffered by reason of the Released Parties' relationship with them might not now be known, and
20 there is a further risk that said injuries, whether known or unknown at the date of this Settlement
21 Agreement, might possibly become progressively worse, and that as a result thereof further
22 damages may be sustained. Nevertheless, the Plaintiffs, each of them, agree to forever and fully
23 release and discharge the Released Parties, and understand that by the execution of this Settlement
24 Agreement no further claims for any such injuries that existed at the time of the execution of this
25 Settlement Agreement may ever be asserted by Plaintiffs, each of them, with respect to claims
26 arising in the time period from the beginning of time to the execution of this Settlement
27 Agreement.

28 60. Plaintiffs, each of them, expressly waive and relinquish all rights and benefits

1 afforded by Section 1542 of the Civil Code of the State of California and do so understanding and
 2 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of
 3 the State of California states:

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

11 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full
 12 and complete release and discharge of all parties, Plaintiffs and Class Counsel expressly
 13 acknowledge that this Settlement Agreement is intended to include in its effect, without limitation,
 14 all claims whether known or unknown, suspected or unsuspected, contingent or non-contingent,
 15 that now exist, upon any theory of law or equity, including without limitation, conduct which is
 16 negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard
 17 to the subsequent discovery or existence of such different or additional facts, in favor of the
 18 Plaintiffs against the Released Parties, or any of them, for the time period from the beginning of
 19 time to the execution of this Settlement Agreement, and that this Settlement Agreement
 20 contemplates the extinguishment of any such Plaintiffs' claims. Notwithstanding the above, the
 21 General Release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims
 22 for unemployment benefits, or other claims that may not be released as a matter of law.

23 **J. Notice Process.**

24 61. Appointment of Administrator. The Parties have agreed to the appointment of the
 25 Administrator to perform the duties of an Administrator, including mailing (or re-mailing) the
 26 Notice, using standard devices to obtain forwarding addresses, independently reviewing and
 27 verifying documentation associated with any claims or opt-out requests, resolving any disputes
 28 regarding the calculation or application of the formula for determining the Individual Class
 Payments and Individual PAGA Payments, drafting and mailing the settlement checks to
 Participating Class Members and Aggrieved Employee, issuing IRS W-2 and 1099 Tax Forms,

1 unclaimed funds due diligence, reporting and remittance obligations, and performing such other
2 tasks as set forth herein or as the Parties mutually agree or that the Court orders.

3 62. Disputes Regarding Settlement Administration. Any and all disputes relating to
4 administration of the Settlement by the Administrator (except for disputes regarding Class Data)
5 shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
6 and conditions of this Settlement Agreement, until Plaintiffs and Defendant notify the Court that all
7 payments and obligations contemplated by this Settlement Agreement have been fully carried out.
8 Prior to presenting any issue to the Court, counsel for the Parties will meet and confer in good faith
9 to resolve the dispute without the necessity of Court intervention.

10 63. Class and Aggrieved Employee Data. Within 21 calendar days after Defendant
11 receives notice of entry of the Preliminary Approval Order, Defendant shall provide the Class and
12 Aggrieved Employee Data to the Administrator. The Administrator will run a check of the Class
13 Members' addresses against those on file with the U.S. Postal Service's National Change of
14 Address List. The Class Data provided to the Administrator will remain confidential, shall be used
15 solely to administer the Settlement, and it will not be used or disclosed to anyone (including Class
16 Counsel), except as required by applicable tax authorities, pursuant to Defendant's express written
17 consent, or by order of the Court. This confidentiality provision is in the best interest of the Class
18 Members and Aggrieved Employees because it will reduce the likelihood of personal information
19 being leaked, thereby exposing the individuals to identity theft. Although Class Counsel will not
20 be provided with the list of Class and Aggrieved Employee Data, nothing herein shall prevent Class
21 Counsel from communicating with Class Members and/or Aggrieved Employees regarding the
22 Action and Settlement.

23 64. Total Workweeks. At least 5 days prior to mailing the Notice, the Administrator
24 shall provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary
25 calculation of all payments to be paid from the Gross Settlement Amount, including the estimated
26 Individual Class Payments to each Class Member and Individual PAGA Payments to each
27 Aggrieved Employee (a person's name shall be redacted and a control number used in place of the
28 name). If the total Workweeks worked by all Class Members triggers the Escalator Clause, the

1 Administrator shall notify Defendant so Defendant can elect to increase the Gross Settlement
2 Amount or end the Class Release Period and/or PAGA Release Period earlier in time in accordance
3 with the Escalator Clause.

4 65. Notice. The Notice, as approved by the Court, shall be sent by the Administrator to
5 the Class Members, by first class mail, in English and Spanish, within ten (10) calendar days
6 following the Administrator's receipt of the Class Data. The Administrator shall use standard
7 devices, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes
8 are returned.

9 66. Returned Notices. The Administrator will take steps to ensure that the Notice is
10 received by all Class Members, including utilization of the National Change of Address Database
11 maintained by the United States Postal Service to review the accuracy of and, if possible, update a
12 mailing address. Notices will be re-mailed to any Class Member for whom an updated address is
13 located within ten (10) calendar days following both the Administrator learning of the failed
14 mailing and its receipt of the updated address. The Notice shall be identical to the original Notice.
15 In the event a Notice remains undeliverable forty-five (45) days after its initial mailing, the
16 Settlement Administrator will not mail the Class Member's Individual Settlement Payment or
17 Aggrieved Employee's Individual PAGA Payment. Instead, the Administrator will send the
18 amount of those payments to the State of California's Unclaimed Property Fund with identification
19 of the amount of unclaimed funds attributable to each such Class Member.

20 67. Disputes Regarding Information on Notices. Class Members are deemed to
21 participate in the Settlement unless they timely submit a Request for Exclusion, and Aggrieved
22 Employees may not exclude themselves from the Released PAGA Claims. If a Class Member
23 timely submits an Objection to and a Request for Exclusion from the Settlement in response to the
24 Class Notice, the Objection to the Settlement will control and the individual will remain as part of
25 the Class. The Notice will inform Class Members of the number of Workweeks worked during the
26 Class Period and the PAGA Period. Class Members may dispute their Weeks Worked if they feel
27 they should be credited with more Weeks Worked in the Class Period and/or PAGA Period than
28 Defendant's records show by timely submitting evidence to the Administrator. Defendant's

1 records will be presumed determinative absent reliable evidence to rebut Defendant’s records, but
 2 the Administrator will evaluate the evidence submitted by the Class Member and provide the
 3 evidence submitted to Defense Counsel who will in good faith review the evidence and determine
 4 the Class Member’s actual number of Workweeks during the Class Period and/or PAGA Period.
 5 Class Members and PAGA Group Members will have until the Response Deadline to dispute
 6 Weeks Worked, object or opt out, unless extended by the Court.

7 68. Class Members’ Rights. Each Class Member will be fully advised of the
 8 Settlement, the ability to object to the provisions in the Settlement related to the Released Class
 9 Claims, and the ability to request exclusion from the Settlement with respect to the Released Class
 10 Claims. The Notice will inform the Class Members of the Court-established deadlines for filing
 11 objections or requesting exclusion from the Settlement with respect to the Released Class Claims in
 12 accordance with the following guidelines:

13 69. Requests for Exclusion from Participating in the Class. Any Class Member, other
 14 than Plaintiffs, may request to be excluded from the Class by submitting a “Request for Exclusion”
 15 to the Administrator, postmarked on or before the Response Deadline. The Request for Exclusion
 16 should state:

17 “I WISH TO BE EXCLUDED FROM THE CLASS IN THE KEYS
 18 V. FRESCHI AIR SYSTEMS, LLC, ACTION. I UNDERSTAND
 19 THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL
 20 NOT RECEIVE ANY MONEY FROM THE SETTLEMENT
 21 RELATED TO THE CLASS CLAIMS IN THIS ACTION.”

20 To be valid, any Request for Exclusion must include the full name, address, telephone
 21 number, last four digits of the social security number or date of birth, and signature of the Class
 22 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
 23 Administrator at the specified address or fax number. Any such Request must be made in
 24 accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only if
 25 postmarked by the Response Deadline. Any Class Member who timely requests exclusion in
 26 compliance with these requirements: (i) will not have any rights under this Agreement with respect
 27 to the Released Class Claims, including the right to object, appeal, or comment on the Settlement;
 28 (ii) will not be entitled to receive any payments under this Agreement for the Released Class

1 Claims; and (iii) will not be bound by this Agreement, or the Judgment, with respect to the
2 Released Class Claims. Any Class Member who submits a valid Request for Exclusion will still be
3 subject to the Released PAGA Claims to the fullest extent permitted by law and shall be sent his or
4 her share of PAGA Penalties. However, if a Class Member submits both a Request for Exclusion
5 and an Objection to the Settlement, the Request for Exclusion will be rejected and the Objection
6 will be accepted.

7 (b) Binding Effect on Participating Class Members. Except for those Class
8 Members who exclude themselves in compliance with the procedures set forth above, all Class
9 Members will: (i) be deemed to be Participating Class Members for all purposes under this
10 Agreement; (ii) will be bound by the terms and conditions of this Agreement, the Judgment, and
11 the releases set forth herein; and (iii) except as otherwise provided herein, will be deemed to have
12 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
13 Settlement.

14 (c) Objections to Settlement of the Released Class Claims. Any Class Member,
15 other than Plaintiffs, may object to the terms of this Agreement, except as to the Released PAGA
16 Claims. To object, a Class Member shall inform the Administrator in writing, of his or her
17 objection which must be postmarked by the Response Deadline at the address set forth in the
18 Notice. Such objection shall include the objecting Class Member's full name, address, telephone
19 number, and dates of employment with Defendant, the case name and number, the basis for the
20 objection, including any legal support and each specific reason in support of the objection, as well
21 as any documentation or evidence in support thereof, and, if the Objecting Class Member is
22 represented by counsel, the name and address of his or her counsel. The Administrator shall
23 provide objections, if any, to Class Counsel and Defense Counsel within three (3) calendar days of
24 receipt, and the Administrator shall attach the same to its declaration of due diligence and file with
25 the Court prior to the Final Approval Hearing. Any Participating Class Member who files an
26 objection remains eligible to receive monetary compensation from the Settlement. Plaintiffs and
27 Defendant shall not be responsible for any fees, costs, or expenses incurred by any Class Member
28 and/or his or her counsel related to any objections to the Settlement. Submitting an objection does

1 not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by
2 becoming a party of record by timely and properly intervening or filing a motion to vacate the
3 judgment under Code of Civil Procedure Section 663. To the extent a Class Member submits a
4 Request for Exclusion and an Objection, the Request for Exclusion shall be disregarded, and the
5 Objection will be considered. Class Members and Aggrieved Employees may not object to or
6 exclude themselves from the Settlement with respect to the PAGA Claims.

7 (d) Failure to Object. Any Class Member who desires to object to the Released
8 Class Claims in the Settlement but fails to timely submit a written objection waives any right to
9 object and will be foreclosed from making any objection to this Settlement. Any Class Member
10 who does not timely and properly become a party of record by intervening or filing a motion to
11 vacate the judgment waives any and all rights to appeal from the Final Approval Order and
12 Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a
13 motion to vacate judgment, motion for new trial, a motion under California Code of Civil
14 Procedure § 473, and extraordinary writs.

15 (e) Responses to Objections. Counsel for the Parties may file a response to any
16 objections submitted by objecting Class Members at least five (5) court days before the date of the
17 Final Approval Hearing.

18 (f) Weekly Reports. The Administrator shall disclose jointly to Class Counsel
19 and Defense Counsel the number of objections, disputes or Requests for Exclusion that were timely
20 submitted on a weekly basis, and upon the request of Class Counsel or Defense Counsel.

21 70. Declaration of Due Diligence. The Administrator shall provide counsel for the
22 Parties, within 7 days after the Response Deadline, a declaration of due diligence and proof of
23 mailing with regard to the mailing (or re-mailing) of the Notice.

24 71. Funding of the Settlement Amount. Defendant shall deposit the Gross Settlement
25 Amount, plus Defendant's share of payroll taxes owed on the Wage Portion of the Individual Class
26 Payments, with the Administrator within thirty (30) days of the Effective Date.

27 72. Distribution of Funds. No later than ten (10) calendar days after the deposit of the
28 Gross Settlement Amount into the QSF, the Administrator will mail the Individual Class Payments

1 to the Participating Class Members, the Individual PAGA Payments to the Aggrieved Employees,
2 the payment to Class Counsel for the Attorneys' Fees and Costs Award, the Incentive Awards to
3 the Plaintiffs, the payment to the LWDA for PAGA Penalties, and will pay itself the
4 Administration Costs. To comply with California Rules of Court, Rule 3.771, settlement checks
5 shall include the following language on the check: "A Court has approved a settlement of the class
6 action and PAGA representative action- and entered judgment for claims asserted in *Keys v.*
7 *Freschi Air Systems, LLC*, Contra Costa County Superior Court Case No. C22-02747."

8 73. Deadline for Cashing Settlement Checks. Participating Class Members and
9 Aggrieved Employees shall have 180 calendar days after mailing by the Administrator to cash their
10 settlement checks. If any Participating Class Member's or Aggrieved Employee's check is not
11 cashed within that period, the check will be void and a stop-payment will be issued, and the
12 Administrator shall issue the unclaimed funds to the California State Controller's Office in the
13 name of the Class Member or PAGA Group Member, or as otherwise directed by the Court. In the
14 event that any settlement check is returned to the Administrator within 180 days of mailing, the
15 Administrator will, within five (5) business days of receipt of the returned settlement check,
16 perform a skip trace to locate the individual, and notify Defense Counsel and Class Counsel of the
17 results. If a new address is located by these means, the Administrator will have ten (10) business
18 days to re-issue the check. Neither Defendant, Defense Counsel, Class Counsel, Plaintiffs, nor the
19 Administrator will have any liability for lost or stolen settlement checks, forged signatures on
20 settlement checks, or unauthorized negotiation of settlement checks. Without limiting the
21 foregoing, in the event a Participating Class Member or Aggrieved Employee notifies the
22 Administrator that he or she believes that a settlement check has been lost or stolen, the
23 Administrator shall immediately stop payment on such check. If the check in question has not been
24 negotiated prior to the stop payment order, the Administrator will issue a replacement check.

25 74. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiffs,
26 Class Counsel, or the Administrator based on mailings, distributions, payments or reports made in
27 accordance with or pursuant to this Agreement. This provision does not, however, prevent a Party
28 from seeking enforcement of this Agreement.

1 75. Without prejudice to any other remedies, the Administrator shall agree to be
2 responsible for any breach of its obligations (whether committed by the Administrator or its agents)
3 and to indemnify and hold the Parties and their counsel harmless from and against all liabilities,
4 claims, causes of action, costs and expenses (including legal fees and expenses) arising out of any
5 breach committed by the Administrator or its agents.

6 **K. Duties of the Parties Prior to the Court’s Approval.**

7 76. After the execution of this Agreement, Plaintiff Keys will file his Amended LWDA
8 Letter and Plaintiffs will file their Third Amended Complaint, as set forth above.

9 77. Within thirty (30) days after execution of this Agreement, Plaintiffs will the move
10 the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order
11 accomplishing the following:

12 (a) Scheduling the Final Approval Hearing on the issue of whether this
13 Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and
14 a hearing on fees, costs and the Incentive Awards;

15 (b) Approving as to form and content the proposed Notice (attached hereto as
16 Exhibit A);

17 (c) Directing the mailing of the Notice by first class mail to the Class Members;

18 (d) Preliminarily approving this Settlement; and

19 (e) Preliminarily certifying the class for purposes of this Settlement.

20 78. Reallocation of Settlement Proceeds. In the event the Court fails, on its first
21 hearing, to approve this Agreement because the amount of the PAGA Penalties is not adequate,
22 then the Parties shall cooperate in good faith to reallocate the Gross Settlement Amount in order to
23 try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

24 **L. Duties of the Parties Following The Court’s Final Approval.**

25 79. In connection with the Final Approval Hearing provided for in this Settlement
26 Agreement, Class Counsel shall submit a proposed Final Approval Order:

27 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable
28 and adequate, and directing consummation of its terms and provisions;

1 (b) Approving Class Counsel’s application for an award of attorneys’ fees and
2 reimbursement of litigation costs and expenses, the Incentive Awards to the Plaintiffs, and the
3 payment to the Administrator for costs of administering the settlement; and

4 (c) Entering judgment approving settlement.

5 80. Final Judgment. The Administrator shall give the Participating Class Members and
6 Aggrieved Employees notice of the entry of Final Judgment on the checks for their Individual
7 Class Payments and Individual PAGA Payments. If any amended judgment is required under Code
8 of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a
9 proposed amended judgment.

10 **M. Voiding the Agreement.**

11 81. If more than ten percent (10%) of the total Class Members timely and properly
12 Requests Exclusion from the Settlement, Defendant will have, in its sole discretion, the right to
13 rescind and terminate the Settlement Agreement, without prejudice to its pre-settlement positions
14 and defenses, by giving written notice to the Administrator and Class Counsel within 21 days of
15 being informed by the Settlement Administrator in writing that more than ten percent (10%) of the
16 Class Members excluded themselves from the Settlement. Should Defendant withdraw from the
17 Settlement under this Provision, Defendant shall be responsible for paying any expenses incurred
18 by the Administrator.

19 82. All Parties, signatories and their counsel shall not encourage exclusions or
20 objections to this Agreement. The Parties specifically agree not to solicit exclusions, directly or
21 indirectly, through any means.

22 83. If the Settlement is voided or fails for any reason, Plaintiffs and Defendant will have
23 no further obligations under the Settlement, including any obligation by Defendant to pay the Gross
24 Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

25 84. If the Settlement is voided or fails for any reason (including Defendant’s withdrawal
26 due to ten percent or more of the Class opting out), any costs incurred by the Administrator shall be
27 borne equally by Defendant and Plaintiffs.

28

1 **N. Other Terms.**

2 85. Waiver. The waiver by one Party of any breach of this Agreement by another Party
3 shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

4 86. Full and Complete Defense. This Agreement may be pleaded by any Released Party
5 as a full and complete defense to and may be used as the basis for an injunction against, any action,
6 suit or other proceeding that has been or may be instituted, prosecuted or attempted, asserting any
7 Released Claim.

8 87. Parties' Authority. The signatories hereto represent that they are fully authorized to
9 enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

10 88. No Publicity. Communications regarding this Settlement prior to the Preliminary
11 Approval Date shall be limited to Court-Approved Notices in the Action. After the Preliminary
12 Approval Date, Class Counsel and Plaintiffs, each of them, agree that they will not publicize this
13 Settlement on their website, social media, blogs, micro-blog, vlogs or any other media, including,
14 reporting to Jury Verdicts or any other reporting services and agree that any breach of this
15 paragraph is a material breach of the Settlement Agreement. Nothing herein shall be construed to
16 prevent Class Counsel from the public filing of motions or other case materials in the Action
17 related to seeking and obtaining Court approval of this Settlement and the related awards of
18 attorneys' fees and costs, or to communications with Class Members or their representatives about
19 this Settlement, including through the posting of Court-filed documents on Class Counsel's
20 websites for access solely by the Class Members, or to prevent the Parties or their representatives
21 from communicating with financial or legal advisors regarding the Settlement. In response to any
22 media inquiry, Class Counsel may state only that the Action has been settled on terms mutually
23 agreeable to the Parties.

24 89. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
25 accomplish the terms of this Settlement Agreement, including but not limited to, execution of such
26 documents and to take such other action as may reasonably be necessary to implement the terms of
27 this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts,
28 including all efforts contemplated by this Settlement Agreement and any other efforts that may

1 become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and
 2 the terms set forth herein. As soon as practicable after execution of this Settlement Agreement,
 3 Class Counsel shall, with the assistance and cooperation of Defendant and Defendant’s Counsel,
 4 take all necessary steps to secure the Court’s preliminary and final approval of the settlement, and
 5 the final entry of judgment. Class Counsel shall provide Defendant’s Counsel with copies of the
 6 Preliminary Approval Motion and Final Approval Motion for review at least five days prior to the
 7 filing deadline.

8 90. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they
 9 have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,
 10 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
 11 action or rights released and discharged by this Settlement Agreement.

12 91. No Admission. Defendant denies any and all liability to Plaintiffs, any Class
 13 Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were
 14 asserted or that might have been asserted in this Action. Nothing in this Settlement Agreement is
 15 intended or shall be construed as an admission of liability, fault or wrongdoing by Defendant or
 16 any of the Released Parties. Nothing in this Settlement Agreement shall operate or be construed as
 17 an admission of any liability or that class certification is appropriate in any context other than this
 18 Settlement Agreement. Nonetheless, Defendant wishes to settle and compromise the matters at
 19 issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of
 20 protracted and burdensome litigation. Defendant also has taken into account the uncertainty and
 21 risks inherent in litigation, and without conceding any infirmity in the defenses that they have
 22 asserted or could assert against Plaintiffs, have determined that it is desirable and beneficial that
 23 Plaintiffs’ claims be settled in the manner and upon the terms and conditions set forth in this
 24 Agreement.

25 92. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
 26 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
 27 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
 28 Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this

1 Settlement Agreement with the intention of avoiding further disputes and litigation with the
2 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
3 it, along with all related documents such as the notices, and motions for preliminary and final
4 approval, shall, pursuant to California Evidence Code § 1152 and/or Federal Rule of Evidence,
5 Rule 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve
6 the settlement, and/or interpret or enforce this Settlement Agreement and corresponding judgment.
7 The stipulation for class certification as part of this Settlement Agreement is for settlement
8 purposes only and if, for any reason the settlement is not approved, the stipulation will be of no
9 force or effect.

10 93. Notices. Unless otherwise specifically provided herein, all notices, demands or other
11 communications given hereunder shall be in writing and shall be deemed to have been duly given
12 as of the third business day after mailing by United States registered or certified mail, return receipt
13 requested, addressed:

14 To the Class Members and Aggrieved Employees:

15 **MOON LAW GROUP PC**
16 Kane Moon
17 kmoon@moonlawgroup.com
18 Enzo Nabiev
19 enabiev@moonlawgroup.com
20 Matthew Dial
21 mdial@moonlawgroup.com
22 725 S. Figueroa St., 31st Floor
23 Los Angeles, California 90017
24 Telephone: (213) 232-3128

25 To Defendant:

26 **CDF LABOR LAW LLP**
27 Alison L. Tsao
28 atsao@cdflaborlaw.com
29 Marianne C. Koepf
30 mkoepf@cdflaborlaw.com
31 Candace DesBaillets
32 cdesbaillets@cdflaborlaw.com
33 601 Montgomery Street, Suite 333
34 San Francisco, CA 94111
35 Telephone: (415) 981-3233

1 94. Construction. The Parties hereto agree that the terms and conditions of this
 2 Settlement Agreement are the result of lengthy, intensive arms’ length negotiations between the
 3 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
 4 by reason of the extent to which any Party or his or its counsel participated in the drafting of this
 5 Settlement Agreement. Plaintiffs and Defendant expressly waive the common-law and statutory
 6 rule of construction that ambiguities should be construed against the drafter of an agreement and
 7 further agree, covenant, and represent that the language in all parts of this Agreement shall be in all
 8 cases construed as a whole, according to its fair meaning.

9 95. Captions and Interpretations. Paragraph titles or captions contained herein are
 10 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
 11 describe the scope of this Agreement or any provision hereof. Each term of this Agreement is
 12 contractual and not merely a recital.

13 96. Modification. This Settlement Agreement may not be changed, altered, or modified,
 14 except in writing and signed by the Parties hereto, and approved by the Court. This Settlement
 15 Agreement may not be discharged except by performance in accordance with its terms or by a
 16 writing signed by all of the Parties hereto.

17 97. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this
 18 Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide
 19 written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and
 20 Plaintiffs and Defendant agree to attempt in good faith resolve any dispute. During this period, the
 21 Parties shall bear their own attorneys’ fees and costs. This provision shall not apply to any legal
 22 action or other proceeding instituted by any person or entity other than Plaintiffs or Defendant.

23 98. No Reliance on Representations. The Parties have made such investigation of the
 24 facts and the law pertaining to the matters described herein and to this Agreement as they deem
 25 necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact
 26 or law, made by any of the other Parties, or any of their agents, employees, attorneys, or
 27 representatives, with regard to any of their rights or asserted rights, or with regard to the
 28 advisability of making and executing this Agreement, or with respect to any other matters. No

1 representations, warranties, or inducements, except as expressly set forth herein, have been made to
2 any party concerning this Agreement.

3 99. Court Retains Jurisdiction. The Parties agree that upon the entry of judgment of
4 dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure
5 Section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action
6 over all Parties to interpret, enforce, and effectuate the terms, conditions, intents and obligations of
7 this Agreement.

8 100. Enforceability. Pursuant to California Evidence Code Section 1123(a) and (b), this
9 Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in a
10 court of law.

11 101. Choice of Law. This Settlement Agreement shall be governed by and construed,
12 enforced and administered in accordance with the laws of the State of California.

13 102. Integration Clause. This Settlement Agreement contains the entire agreement
14 between the Parties relating to the settlement and transaction contemplated hereby, and all prior or
15 contemporaneous agreements, understandings, representations, and statements, whether oral or
16 written and whether by a Party or such Party's legal counsel, are merged herein. No rights
17 hereunder may be waived except in writing.

18 103. Binding On Assigns. This Settlement Agreement shall be binding upon and inure to
19 the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
20 successors and assigns.

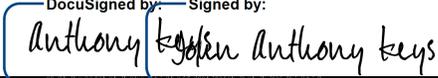
21 104. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
22 because the members of the Class are numerous, it is impossible or impractical to have each Class
23 Member execute this Settlement Agreement. The Notice will advise all Class Members of the
24 binding nature of the releases provided herein and such shall have the same force and effect as if
25 this Settlement Agreement were executed by each Class Member.

26 105. Counterparts. This Settlement Agreement may be executed in counterparts, and
27 when each Party has signed and delivered at least one such counterpart, each counterpart shall be
28 deemed an original, and, when taken together with other signed counterparts, shall constitute one

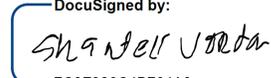
1 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. A
2 manual “wet” signature is required although a legible faxed and scanned copy/pdf of the manual
3 (“wet”) signature may be used as an original for all purposes.

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3/10/2025
Dated: March __, 2025

DocuSigned by: Signed by:

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John Anthony Keys
Plaintiff

3/10/2025
Dated: March __, 2025

DocuSigned by:

7C3F328C4D764A8...
Shantell Jordan
Plaintiff

Dated: March __, 2025

William Evans
Chief Legal Officer
Defendant Freschi Air Systems, LLC.

APPROVED AS TO CONTENT AND FORM:

Dated: March __, 2025

CDF LABOR LAW LLP
Marianne C. Koepf
Candace DesBaillets

By: _____
Alison L. Tsao
Attorneys for Defendant
FRESCHI AIR SYSTEMS, LLC

Dated: March 10, 2025

MOON LAW GROUP PC
Kane Moon
Matthew Dial

By:  _____
Enzo Nabiev
Attorneys for Plaintiffs
JOHN ANTHONY KEYS AND SHANTELL JORDAN

1 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties. A
2 manual “wet” signature is required although a legible faxed and scanned copy/pdf of the manual
3 (“wet”) signature may be used as an original for all purposes.

4
5 Dated: March __, 2025

6 _____
7 John Anthony Keys
8 Plaintiff

9 Dated: March __, 2025

10 _____
11 Shantell Jordan
12 Plaintiff

13 Dated: 3/11/2025

DocuSigned by:

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14 _____
15 William Evans
16 Chief Legal Officer
17 Defendant Freschi Air Systems, LLC.

18 APPROVED AS TO CONTENT AND FORM:

19 Dated: 3/10/2025

20 CDF LABOR LAW LLP
21 Marianne C. Koepf
22 Candace DesBaillets

DocuSigned by:

D9ACE906CC45447...

23 By: _____
24 Alison L. Tsao

25 Attorneys for Defendant
26 FRESCHI AIR SYSTEMS, LLC

27 Dated:

28 MOON LAW GROUP PC
Kane Moon
Matthew Dial

By: _____
Enzo Nabiev

Attorneys for Plaintiffs
JOHN ANTHONY KEYS AND SHANTELL JORDAN

EXHIBIT A

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

***Keys et al v. Freschi Air Systems, LLC., Contra Costa County Superior Court Case No.
C22-02747***

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

You may be eligible to receive money from a lawsuit filed against Defendant Freschi Air Systems, LLC (“Defendant”) by two of its former employees John Anthony Keys and Shantell Jordan (“Plaintiffs”) (“Lawsuit”). In the Lawsuit, Plaintiffs alleged Defendant violated California wage and hour laws and, as a result, seeks payment of (1) back wages, statutory benefits, expense reimbursements, and other relief on behalf of themselves and for a class of hourly non-exempt employees and Residential Sales Consultants (“Class Members”) who worked for Defendant in California during the Class Period (December 27, 2018, to April 1, 2025) and who have not previously released their claims against Defendant; and, (2) penalties under the California Labor Code Private Attorneys General Act (“PAGA”) on behalf of themselves and other aggrieved employees, defined as all hourly non-exempt employees and Residential Sales Consultants who worked for Defendant in California during the PAGA Period (December 27, 2021, to April 1, 2025) (the “Aggrieved Employees”) who have not previously released their claims against Defendant.

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

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

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period, and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks or pay periods during either of these respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. **Read this Notice carefully. You will be deemed to have carefully read and understood it.** At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, your options under the Settlement are set forth below. Regardless of which option you choose, Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>You Don't Have to Do Anything to Participate in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the individual wage claims against Defendant that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is [REDACTED]</p>	<p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion with the following language: “I wish to be excluded from the class in the Keys v. Freschi Air Systems, LLC, action. I understand that if I ask to be excluded from the class, I will not receive any money from the settlement related to the class claims in this action.”</p> <p>Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by [REDACTED]</p>	<p>All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.</p>
<p>You Can Participate in the [REDACTED] Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>

<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by </p>	<p>The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many weeks you worked for Defendant at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.</p>
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay minimum, overtime and double time wages (based on theories of performing work off-the-clock, including time to complete health-related questionnaires; rounding of time; interrupted meal periods; and auto deduction of 30 minutes for meal breaks that were not received), , failing to carry over and pay vested vacation wages upon termination, failure to provide and/or pay sick leave and Covid-19 supplemental paid sick leave, failure to pay overtime, double time, paid sick leave, Covid-19 supplemental paid sick leave, meal break premiums, and or rest break premiums at the regular rate of pay), misclassification of the Residential Sales Consultant position as an exempt position, failure to provide suitable seating, failing to provide all wages due upon termination, failing to provide meal periods and/or meal break premiums in lieu of compliant meal breaks, failing to authorize and permit rest breaks and/or provide rest break premiums in lieu of compliant rest breaks, failure to reimburse employees for incurred business-related expenses, failing to maintain accurate records of hours that employees worked, and failing to issue accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA Claims”). Plaintiffs are represented by attorneys in the Action: Moon Law Group, PC (“Class Counsel”).

Defendant denies all claims and theories alleged by Plaintiffs in their Lawsuit, contends it has no liability arising from the Lawsuit, and is confident it has strong legal and factual defenses to all of Plaintiffs’ claims and theories. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator, the Honorable Michael Dickstein, Esq., to resolve the Action by negotiating a settlement between the parties, rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant will Pay \$480,000 as the Gross Settlement Amount (GSA). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. The Administrator will use the GSA to pay the Individual Settlement Payments, Individual PAGA Payments, the Class Representatives' Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the GSA not more than 90 days after the Court grants final approval and the Judgment entered by the Court becomes final ("Effective Date") The Judgment will be final the day that the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Amounts to be Paid from the GSA. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$160,000.00 (33 and 1/3% of the GSA) to Class Counsel for attorneys' fees and up to \$35,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$7,500.00 for each Plaintiff for the Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class.
- C. Up to \$6,990.00 to the Administrator for services administering the Settlement.
- D. \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA (\$37,500.00) and 25% to Individual PAGA Payments (\$12,500.00) to the Aggrieved Employees based on their PAGA Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the "Net Settlement") by making Individual Class Payments and Individual PAGA Payments to Participating Class Members and on a pro rata basis based on their Workweeks worked during the respective Class Period and PAGA Period.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 30% of each Individual Class Payment to taxable wages ("Wage Portion") and 70% to expenses, interest and penalties ("Non-Wage Portion). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report any Individual PAGA Payments and the Non-Wage Portions of the Individual Class Settlement Payments on IRS 1099 Forms.

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

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

6. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Opt-Out Request by the [REDACTED] Response Deadline. The Opt-Out Request should be a signed letter from a Class Member or his or her authorized representative setting forth a Class Member's name, address and email address or telephone number, and a statement (set forth below) electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant. Specifically, the Opt-Out Request should contain the following language: "I wish to be excluded from the class in the Keys v. Freschi Air Systems, LLC, action. I understand that if I ask to be excluded from the class, I will not receive any money from the settlement related to the class claims in this action."

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-Participating Class Members) remain eligible for an Individual PAGA Payment and are required to give up their right to assert PAGA Claims against Defendant based on the alleged PAGA violations in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void. This means Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, APEX Class Action Administration (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Opt-Out Requests. The Administrator will also decide Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator's contact information is in Section 9 below.

9. Participating Class Members' Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or the Released Parties (defined below) based on the same claims and/or theories during the Class and PAGA periods.

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

All Participating Class Members, release Released Parties from all claims under state, federal, or local law, that were asserted or could have been asserted based on the facts, claims or theories raised in the Third Amended Complaint or any prior complaints; facts, claims or theories expressly raised in Plaintiff's amended notice to the LWDA (to be filed), or facts, claims or theories arising under any applicable Wage Order, including but not limited to claims for violations of Labor Code sections 201-203, 204, 210, 226, 226.3, 226.7, 226.8, 227.3, 245-248.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and alleged violations of corresponding applicable California IWC Wage Orders, which are supported by and/or based on the following theories: (1) failure to pay all wages owed, including wages for work performed off-the-clock work (including filling out daily health care questionnaires), on-call time, commission pay, auto-deductions from time, and/or due to rounding of time; (2) failure to pay overtime and double time wages at the regular rate of pay; (3) failure to provide compliant meal periods and/or pay meal periods premiums in lieu of providing compliant meal breaks; (4) failure to authorize and permit compliant rest breaks and/or failure to pay rest break premiums in lieu thereof; (5) failure to indemnify necessary business expenses; (6) failure to timely pay wages during employment; (7) failure to timely pay final wages at termination and within the time limits required by law; (8) failure to carry over and/or pay all unused, accrued vacation and paid time off (PTO) pay at time of termination; (9) failure to provide accurate itemized wage statements; (10) failure to maintain accurate time and payroll records, (11) failure to provide suitable seating, (12) failure to pay paid sick leave ("PSL") or Covid-19 supplemental paid sick leave ("SPSL") at the regular rate of pay; (13) misclassification of Residential Sales Consultants as exempt employees; and (14) violations of California's unfair competition law, Calif. Bus. and Prof. Code §§ 17200 et. seq. ("UCL"). Plaintiffs and Participating Class Members expressly agree to release Defendant Freschi Air Systems, LLC, together with its affiliates, subsidiaries, and parent, and each of the foregoing entities' current and former owners, members, officers, directors, managers, employees, representatives, and agents. ("Released Parties").

10. Aggrieved Employees' PAGA Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved Employees will be barred from asserting PAGA Claims against the Released Parties, including Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or the Released Parties based on the same PAGA Period as follows:

All alleged Aggrieved Employees will be bound by a release of all civil penalties under PAGA against the Released Parties based on the facts, claims and theories asserted or that could have been asserted under PAGA in the Third Amended Complaint (to be filed), including any facts, claims and theories alleged in the Amended LWDA Notice (to be filed), including but not limited to claims for violations of Labor Code sections 201-203, 204, 210, 226, 226.3, 226.7, 226.8, 227.3, 245-248.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and alleged violations of corresponding

applicable California IWC Wage Orders, which are supported by and/or based on the following theories: (1) failure to pay all wages owed, including wages for work performed off-the-clock work (including filling out daily health care questionnaires), on-call time, commission pay, auto-deductions from time, and/or due to rounding of time; (2) failure to pay overtime and double time wages at the regular rate of pay; (3) failure to provide compliant meal periods and/or pay meal periods premiums in lieu of providing compliant meal breaks; (4) failure to authorize and permit compliant rest breaks and/or failure to pay rest break premiums in lieu thereof; (5) failure to indemnify necessary business expenses; (6) failure to timely pay wages during employment; (7) failure to timely pay final wages at termination and within the time limits required by law; (8) failure to carry over and/or pay all unused, accrued vacation and paid time off (PTO) pay at time of termination; (9) failure to provide accurate itemized wage statements; (10) failure to maintain accurate time and payroll records, (11) failure to provide suitable seating, (12) failure to pay paid sick leave (“PSL”) or Covid-19 supplemental paid sick leave (“SPSL”) at the regular rate of pay; and (13) misclassification of Residential Sales Consultants as exempt employees.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant’s records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator’s contact information. You may support your challenge by sending copies of pay stubs or other records.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., Class Members who don’t opt-out) and all Class Members who also qualify as Aggrieved Employees. The single check will combine the Individual Class Settlement Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual share of the PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

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

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

Submit a written and signed letter with your name, address and email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request and identify the Action in a way that is clear. You must make the request yourself or through an authorized representative. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and for awards of fees, litigation expenses and a service payment to Plaintiffs may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, address and email address or telephone number and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 39 of the Contra Costa Superior Court – Spring Street, located at 725 Court St, Martinez, California 94553. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the GSA will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend).

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Contra Costa Superior Court website.

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

Class Counsel:

Kane Moon
kmoon@moonlawgroup.com
Enzo Nabiev
enabiev@moonlawgroup.com
Matt Dial
mdial@moonlawgroup.com
MOON LAW GROUP, PC
725 S. Figueroa St., 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Defendant's Counsel:

Alison L. Tsaso
atsao@cflaborlaw.com
Marianne C. Koepf
mkoepf@cflaborlaw.com
Candace R. Desbaillets
cdebaillets@cflaborlaw.com
CDF LABOR LAW LLP
601 Montgomery Street, Suite 333
San Francisco, California 94111
Telephone: (415) 981-3233

Settlement Administrator:

Apex Class Action Administration

[**administrator contact information**]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

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