

ARCH LEGAL, P.C.  
3555 FIFTH AVENUE SUITE 200  
SAN DIEGO, CALIFORNIA 92103

**FILED**  
Clerk of the Superior Court

JAN 30 2026

By: V. Contreras, Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO**

RATHY SY and SERGIO VILLARREAL  
HERNANDEZ, as individuals on behalf of  
themselves and all other similarly situated  
and/or all aggrieved employees of Defendants,

Plaintiffs,

v.

PACIFIC RIM MECHANICAL  
CONTRACTORS, INC., a California  
corporation; and DOES 1 through 50 inclusive,

Defendants.

Case No.: 37-2023-00043406-CU-OE-CTL

~~PROPOSED~~ ORDER GRANTING  
PLAINTIFFS' MOTION FOR FINAL  
APPROVAL OF CLASS AND PAGA ACTION  
SETTLEMENT AND REQUEST FOR  
AWARD OF ATTORNEYS' FEES, COSTS,  
AND SERVICE PAYMENTS; AND  
JUDGMENT

[IMAGED FILE]

Date: January 30, 2026  
Time: 9:30 a.m.  
Dept: C-71  
Judge: Hon. Gregory W. Pollack

Complaint Filed: October 5, 2023  
FAC Filed: November 9, 2023  
SAC Filed: March 29, 2024  
TAC Filed: June 4, 2025  
Trial Date: None set

*[Filed concurrently with Notice of Motion,  
Memorandum of Points and Authorities, the  
Declarations of Hali M. Anderson, Hengameh  
Safaei, Rathy Sy, Sergio Villarreal Hernandez, and  
Katie Tran of Apex Class Action, LLC]*

1 This matter came before the Honorable Gregory W. Pollack in Department C-71 of the Superior  
2 Court of the State of California, in and for the County of San Diego, on January 30, 2026 at 9:30 a.m., on  
3 Plaintiffs Rathy Sy and Sergio Villarreal Hernandez’s (“Plaintiffs”) Motion for Final Approval of Class  
4 and PAGA Action Settlement and Request for Award of Attorneys’ Fees, Costs, and Service Payments  
5 (“Plaintiffs’ Motion for Final Approval”), pursuant to California Rules of Court, Rule 3.769 and Labor  
6 Code section 2698 *et seq.*

7 On September 12, 2025, the Court granted Plaintiffs’ Motion for Preliminary Approval of Class  
8 and PAGA Action Settlement and entered an Order in accordance therewith.

9 Having duly considered all papers, evidence, and oral arguments in this matter to date, including  
10 Plaintiffs’ Motion for Final Approval and good cause appearing, the Court hereby **ORDERS AS**  
11 **FOLLOWS:**

12 1. This Order shall incorporate the parties’ Class Action and PAGA Settlement Agreement  
13 (“Settlement Agreement”) and to the extent that the terms are defined in the Settlement Agreement, all  
14 defined terms contained herein shall have the same meaning as set forth in the Settlement Agreement. The  
15 Settlement Agreement is attached hereto as Exhibit A.

16 2. This Court has jurisdiction over the claims asserted in this Action and personal jurisdiction  
17 over Plaintiffs, Defendant, the Settlement Class Members, and the Aggrieved Employees, as defined in  
18 the Settlement Agreement.

19 3. This Court finds that the applicable requirements of the California Code of Civil Procedure  
20 section 382 and California Rules of Court, Rule 3.769, have been satisfied with respect to the Settlement  
21 Class Members and the Settlement. The Court makes final its earlier provisional certification of the  
22 following Class for the purposes of settlement only:

23 Settlement Class: All current and former hourly-paid or non-exempt  
24 construction employees employed by Defendant Pacific Rim Mechanical  
Contractors, Inc. in California from October 5, 2019 to August 18, 2025.

25 4. “Aggrieved Employee” means Plaintiffs and all current and former hourly-paid or  
26 nonexempt construction employees employed by Defendant in California at any time between  
27 August 1, 2022 through August 18, 2025.

28 ///

1           5.       Office and service employees are explicitly excluded from this settlement.

2           6.       The Court also confirms the following appointments: Plaintiffs Rathy Sy and  
3 Sergio Villarreal Hernandez as the Class Representatives; ARCH Legal, P.C. and North Law, P.C. as  
4 Class Counsel; and Apex Class Action LLC as the Settlement Administrator.

5           7.       The Court finds that the Court Approved Notice of Class and PAGA Settlement and  
6 Hearing Date for Final Court Approval (“Class Notice”) that was approved on September 12, 2025 and  
7 transmitted to the Settlement Class Members fully and accurately informed them of all material elements  
8 of the Settlement, including their opportunity to request exclusion from the Settlement or object to the  
9 Settlement (notwithstanding the PAGA portion of the Settlement), was the best notice practicable under  
10 the circumstances; was valid, due, and sufficient notice to all Settlement Class Members; and complied  
11 fully with the laws of the state of California, the United States Constitution, due process, rule 3.766 of the  
12 California Rules of Court, and all other applicable laws.

13           8.       Based on the Declaration of Katie Tran of Apex Class Action LLC, the Court finds that  
14 there were no objections to the Settlement and only one individual submitted valid and timely requests for  
15 exclusion and will be excluded from the Settlement Class. This individual will not be bound by the  
16 Settlement and will not receive any portion of the Net Settlement Amount.

17           9.       In accordance with California law, the Court hereby GRANTS final approval of the  
18 Settlement and finds it fair, reasonable, and adequate, and in the best interest of the Settlement Class  
19 Members as a whole. Specifically, the Court finds that the Settlement is the result of serious, informed,  
20 adversarial, and arm’s-length negotiations between the parties and that the terms of the Settlement are, in  
21 all respects, fair, adequate, and reasonable. In so finding, the Court has considered all the evidence  
22 presented, including evidence regarding the strength of Plaintiffs’ case; the risks, expense, and complexity  
23 of claims presented; the likely duration of further litigation; the amount offered in the Settlement; the  
24 extent of investigation and discovery completed; and the experience and views of Class Counsel. The  
25 Court ORDERS and directs that the Settlement be effectuated in accordance with the Settlement  
26 Agreement and the following terms and conditions.

27           10.       The Court finds that a full opportunity has been afforded to the Settlement Class Members  
28 to participate in the hearing on Plaintiffs’ Motion for Final Approval, and all Settlement Class Members

1 and other persons wishing to be heard, have been heard. The Settlement Class Members have had a full  
2 and fair opportunity to exclude themselves from the Settlement. Therefore, the Court ORDERS that,  
3 pursuant to the Settlement Agreement, upon full payment by Defendant of the Gross Settlement Amount  
4 to the Administrator as well as the employer's share of taxes necessary to effectuate the Settlement,  
5 Plaintiffs and all Settlement Class Members shall release the Released Parties of all claims that were  
6 alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and  
7 facts ascertained in the course of the Actions, including any and all claims involving any alleged:  
8 (a) failure to provide meal periods and/or pay premium wages; (b) failure to authorize and permit rest  
9 periods and/or pay premium wages; (c) failure to timely pay all minimum, regular, and/or overtime wages;  
10 (d) failure to reimburse for business expenses; (e) failure to timely pay all wages due and owing upon  
11 separation of employment and/or the required waiting time penalties; (f) failure to furnish accurate  
12 itemized wage statements; (g) failure to maintain accurate employment records; and (h) violations of  
13 Business & Professions Code sections 17200- 17204 (the "Released Class Claims") during the Class  
14 Period. The Class Period is the period of October 5, 2019 to August 18, 2025.

15 11. The Court further ORDERS that, pursuant to the Settlement Agreement, upon full payment  
16 by Defendant of the Gross Settlement Amount to the Administrator as well as the employer's share of  
17 taxes necessary to effectuate the Settlement, Plaintiffs, all Aggrieved Employees, and the State of  
18 California (through Plaintiffs as Private Attorneys General) shall release the Released Parties from all  
19 claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts  
20 stated in the Operative Complaint during the PAGA Period, Plaintiffs' PAGA Notices, and facts  
21 ascertained in the course of the Actions (the "Released PAGA Claims"). The PAGA Period is the period  
22 from August 1, 2022 to August 18, 2025.

23 12. It is ORDERED that Settlement Class Members shall be prohibited and permanently  
24 enjoined from pursuing in any fashion the Released Class Claims against the Released Parties.

25 13. It is ORDERED that Aggrieved Employees and the State of California (through Plaintiffs  
26 as Private Attorneys General) shall be prohibited and permanently enjoined from pursuing in any fashion  
27 the Released PAGA Claims against the Released Parties.

28 ///

1 14. Defendant is ORDERED to fund the Gross Settlement Amount of \$2,000,000. Defendant  
2 is further ORDERED to deposit the Gross Settlement Amount, plus the employer's share of payroll taxes,  
3 into a Qualified Settlement Fund with the Settlement Administrator within 30 calendar days after entry of  
4 judgment.

5 15. The Settlement Administrator, Apex Class Action LLC, is ORDERED to distribute the  
6 Gross Settlement Amount in accordance with the Settlement Agreement.

7 16. In accordance with Labor Code section 2699(1)(2), the Court has reviewed the Settlement  
8 Agreement as it relates to the allocation of civil penalties under PAGA. The Court finds that the PAGA  
9 Penalties payment of \$100,000 for claims under the PAGA is fair, reasonable, and appropriate. The Court  
10 GRANTS approval of the PAGA Penalties payment of \$100,000 towards claims under the PAGA.

11 17. The Court ORDERS that \$75,000 (75% of \$100,000) of the PAGA Penalties be paid to the  
12 California Labor and Workforce Development Agency ("LWDA"), as required by statute.

13 18. The Court ORDERS that \$25,000 (25% of \$100,000) of the PAGA Penalties be allocated  
14 to the Individual PAGA Payments and distributed to Aggrieved Employees, as defined by the Settlement  
15 Agreement.

16 19. The Court ORDERS that the amount remaining in the Net Settlement Amount, estimated  
17 to be \$1,144,343.33, be issued to the Settlement Class Members based on the number of workweeks  
18 worked during the Class Period, as defined by the Settlement Agreement.

19 20. The Court finds that the requested Service Payment of \$15,000 each to named Plaintiffs  
20 Rathy Sy and Sergio Villarreal Hernandez is fair and reasonable for the work performed and the risks  
21 associated with bringing this action. The Court awards and thus ORDERS that the Settlement  
22 Administrator issue a Service Payment to Plaintiffs in the amount of \$15,000 each. The Service Payments  
23 are in addition to any payment Plaintiffs are entitled to under the Settlement.

24 21. The Court finds that Class Counsel's request for attorneys' fees in the amount of  
25 \$666,666.67 falls within the range of reasonableness and is justified by the result achieved. The Court  
26 awards and therefore ORDERS that the Settlement Administrator issue attorney's fees in the amount of  
27 \$666,666.67 to be distributed to Class Counsel as follows: 50% to ARCH Legal, P.C. and 50% to  
28 North Law, P.C. per the terms of the Joint Prosecution Agreement.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

22. The Court finds that Class Counsel’s request for actual and documented litigation costs incurred in the amount of \$43,812.47 to be fair and reasonable. The Court awards and thus ORDERS that the Settlement Administrator issue payment for actual and documented litigation costs incurred in the amount of \$30,000.00 to ARCH Legal, P.C. and \$13,812.47 to North Law, P.C.

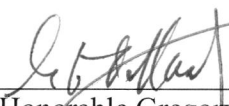
23. The Court finds that the request for Administration Costs in the amount of \$13,990.00 is fair, reasonable, and appropriate. The Court awards and thus ORDERS that the Settlement Administrator issue payment for Administration Costs to Apex Class Action LLC in the amount of \$13,990.00.

24. Plaintiffs’ Motion for Final Approval is GRANTED.

25. Pursuant to Rule 3.769, subdivision (h), of the California Rules of Court, this Court retains exclusive and continuing jurisdiction over this action and the parties for the purposes of: (a) supervising the implementation, enforcement, construction, and interpretation of the Settlement Agreement, and the Order of Final Approval and Judgment; and (b) supervising distribution of amounts paid under this Settlement.

**IT IS SO ORDERED AND JUDGMENT IS HEREBY ENTERED.**

Dated: \_\_\_\_\_

 1/30/24  
\_\_\_\_\_  
Honorable Gregory W. Pollack  
Judge of the Superior Court

# **EXHIBIT A**

## CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Rathy Sy (“Plaintiff Sy”) and Sergio Villarreal Hernandez (“Plaintiff Hernandez” and together with Plaintiff Sy, “Plaintiffs”) and Defendant Pacific Rim Mechanical Contractors, Inc. (“Defendant”). Plaintiffs and Defendant shall collectively be referred to as “Parties.”

### 1. DEFINITIONS.

1.1. “Actions” means the pending the civil action against Defendant titled *Sy et al. v. Pacific Rim Mechanical Contractors, Inc.*, Superior Court of the State of California, County of San Diego Case No. 37-2023-00043406-CU-OE-CTL, and the previous civil action against Defendant titled *Hernandez v. Pacific Rim Mechanical Contractors, Inc.*, Superior Court of California, County of San Diego Case No. 37-2023-00043240-CU-OE-CTL.

1.2. “Administrator” means Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Agreement” or “Settlement Agreement” shall mean this Class Action and PAGA Settlement Agreement, including the Class Notice.

1.5. “Aggrieved Employee” means Plaintiffs and all current and former hourly-paid or non-exempt construction employees employed by Defendant in California at any time between August 1, 2022 through August 18, 2025, or the date the Court grants Preliminary Approval of the Settlement, whichever is sooner. Office and service employees are excluded from this settlement.

1.6. “Class Member” means Plaintiffs and all current and former hourly-paid or non-exempt construction employees employed by Defendant in California at any time between October 5, 2019 through August 18, 2025, or the date the Court grants Preliminary Approval of the Settlement, whichever is sooner. Office and service employees are excluded from this settlement.

1.7. “Class Counsel” means Hali M. Anderson and Allison E. Schubert of GrahamHollis APC, and Hengameh S. Safaei of North Law, P.C.

1.8. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.

1.9. “Class Data” means Class Member identifying information in Defendant’s possession consisting of the Class Member’s name, last-known mailing address, dates of employment, last four digits of Social Security number, number of Workweeks worked during the Class Period, and number of Pay Periods worked during the PAGA Period.

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the Court-approved notice of class action settlement to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from October 5, 2019 through August 18, 2025, or the date the Court grants Preliminary Approval of the Settlement, whichever is sooner.

1.13. “Class Representatives” and “Plaintiffs” mean named Plaintiffs Rathy Sy and Sergio Villarreal Hernandez.

1.14. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.

1.15. “Complaint” refers to the operative Third Amended Class and PAGA Representative Action Complaint filed by Plaintiffs in the Action titled *Sy et al. v. Pacific Rim Mechanical Contractors, Inc.*, Superior Court of the State of California, County of San Diego Case No. 37-2023-00043406-CU-OE-CTL.

1.16. “Court” means the Superior Court of California, County of San Diego.

1.17. “Defendant” means Pacific Rim Mechanical Contractors, Inc.

1.18. “Defense Counsel” means Chad T. Wishchuk and Marlene C. Nowlin of Finch, Thornton & Baird, LLP.

1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20. “Exclusion List” means the list containing the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion.

1.21. “Final Approval Order” means the Court’s order granting Final Approval of the Settlement.

1.22. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.23. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement pursuant to the Final Approval Order.

1.24. “Gross Settlement Amount” or “GSA” means \$2,000,000, which is the total amount Defendant agrees to pay under the Settlement, except for the employer’s share of applicable payroll tax obligations that Defendant shall separately pay. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representatives Service Payments, and the Administrator’s Expenses.

1.25. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.26. “Individual PAGA Payment” means the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

1.27. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.29. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.31. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.32. “PAGA Period” means the period from August 1, 2022 through August 18, 2025, or the date the Court grants Preliminary Approval of the Settlement, whichever is sooner.

1.33. “PAGA” means the Private Attorneys General Act (Labor Code § 2698 *et seq.*).

1.34. “PAGA Notices” means all of Plaintiffs’ letters and notices to the LWDA including, without limitation, Plaintiff Sy’s July 31, 2023 and September 1, 2023 letters to the LWDA and Defendant, and Plaintiff Hernandez’s October 4, 2023 letter to the LWDA and Defendant, providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.35. “PAGA Penalties” means the total amount of PAGA civil penalties in the amount of \$100,000.00 to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.36. “Participating Class Member” means a Class Member who does not submit a valid and Request for Exclusion from the Settlement.

1.37. “PAGA Pay Period” means any pay period during which an Aggrieved Employee was employed by Defendant and worked at least one shift during the PAGA Period.

1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.

1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.

1.41. “Released Parties” means: Defendant and each of its former and present directors, officers, partners, shareholders, owners, managers, agents, attorneys, insurers, re-insurers, sureties, bonding companies, predecessors, successors, and assigns.

1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Settlement signed by the Class Member.

1.43. “Response Deadline” means forty-five (45) days after the Administrator mails the Class Notice to Class Members and shall be the last date on which Class Members may prepare and submit a “Request for Exclusion” to the Settlement Administrator. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. “Settlement” means the disposition of the Actions effected by this Agreement and the Final Approval Order.

1.45. “Weekly Report” refers to the report that the Administrator must email to Defense Counsel and Class Counsel on a weekly basis that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to credited (i) Workweeks worked during the Class Period or (ii) Pay Periods Worked during the PAGA Period, received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments. The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

1.46. “Workweek(s)” means any week during which a Class Member worked for Defendant for at least one day during the Class Period.

## **2. RECITALS.**

2.1. On October 5, 2023, Plaintiff Sy filed a PAGA action against Defendant seeking civil penalties for wage and hour violations and a Labor Code retaliation claim. On November 9, 2023, Plaintiff

Sy filed a First Amended Complaint to add allegations under the PAGA for failure to provide employment and personnel records upon request. On March 29, 2024, Plaintiff Sy filed a Second Amended Complaint, which alleged class claims against Defendant for (1) failure to provide legally compliant meal periods and/or pay premium wages; (2) failure to authorize or permit legally compliant rest periods and/or pay premium wages; (3) failure to pay all minimum and regular wages; (4) failure to pay all overtime wages; (5) failure to reimburse for necessary business expenses; (6) failure to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; (7) failure to furnish accurate itemized wage statements; and (8) violation of California's unfair competition law (the "Sy Action").

2.2. On October 5, 2023, Plaintiff Hernandez filed a class action complaint against Defendant in the Superior Court of California, County of San Diego, Case No. 37-2023-00043240-CU-OE-CTL, alleging: (1) failure to pay overtime; (2) failure to provide meal periods and/or pay meal period premiums; (3) failure to authorize and permit rest breaks and/or pay rest break premiums; (4) failure to pay minimum wages; (5) failure to timely pay final wages; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse necessary business expenses; and (8) violations of Business & Professions Code sections 17200-17204. On October 30, 2023, Plaintiff Hernandez filed a First Amended Class Action and Representative Action Complaint adding a cause of action for civil penalties under the PAGA (the "*Hernandez Action*").

2.3. On May 16, 2025, Plaintiffs' motion to amend to add Plaintiff Hernandez to the Sy Action was granted by the Court and the *Hernandez Action* was thereafter dismissed.

2.4. On June 6, 2025, Plaintiffs jointly filed the operative Third Amended Class and PAGA Representative Action Complaint ("Operative Complaint") against Defendant alleging: (1) violations under PAGA; (2) failure to provide legally compliant meal periods and/or pay premium wages; (3) failure to authorize or permit legally compliant rest periods and/or pay premium wages; (4) failure to pay all minimum and regular wages; (5) failure to pay all overtime wages; (6) failure to reimburse for necessary business expenses; (7) failure to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; (8) failure to furnish accurate itemized wage statements; and (9) violation of California's unfair competition law.

2.5. Defendant denies Plaintiffs' claims and allegations in the Actions, Operative Complaint, and/or PAGA Notices, denies any failure to comply with the laws identified in the Actions, Operative Complaint, and/or PAGA Notices, and denies any and all liability for the causes of action alleged by Plaintiffs in the Actions, Operative Complaint, and/or PAGA Notices.

2.6. Defendant denies Plaintiffs' claims and allegations in the PAGA Notices, denies any failure to comply with the laws identified in the PAGA Notices, and denies any and all liability for the causes of action and claims alleged in the PAGA Notices.

2.7. On June 18, 2025, the Parties participated in an all-day private mediation presided over by the Honorable Carl J. West (Ret.), which resulted in this Agreement to settle the Actions.

2.8. Prior to mediation, Plaintiffs obtained through formal and informal discovery information and documents, including but not limited to Plaintiffs' personnel files, Plaintiffs' payroll and time records, a random sampling of time and pay records for approximately 82 employees, information regarding Defendant's policies and practices, information relating to the number of Class Members and Aggrieved

Employees, and various aggregate data including the number of Workweeks and PAGA Pay Periods. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.9. The Court has not granted class certification.

2.10. The Parties, Class Counsel and Defense Counsel represent that other than the Actions filed by Plaintiffs, they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.11. The Parties agree this Agreement reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

### **3. MONETARY TERMS.**

3.1 Gross Settlement Amount. Defendant agrees to pay Two Million Dollars and Zero Cents (\$2,000,000) and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.3. To Plaintiffs: Class Representative Service Payments to the Plaintiffs not to exceed \$15,000 each, for a total of up to \$30,000, for the time and work they performed in connection with the Actions. The Class Representative Service Payments are separate from and in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members and Aggrieved Employees. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.4. To Class Counsel: A Class Counsel Fees Payment of one-third of the GSA, which is currently estimated to be \$666,666.67 and a Class Counsel Litigation Expenses Payment of not more than \$30,000.00 to GrahamHollis APC and \$15,000.00 to North Law P.C., for a total of \$45,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts.

Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.5. To the Administrator: An Administrator Expenses Payment not to exceed \$13,990.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$13,990.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.6. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.7. Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.8. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.9. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$100,000.00 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.10. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's Pay Periods worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.11. If the Court approves PAGA Penalties of less than the amount requested, the Administrator

will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Class Workweeks and Data. Based on a review of its records as of the June 18, 2025 mediation, Defendant certified approximately 1,179 Class Members collectively worked a total of 106,134 Workweeks. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within ten (10) business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will also send checks for Individual PAGA Payments to all Aggrieved Employees. If the recipient is both a Participating Class Member and an Aggrieved Employee, the Class Payment and Individual PAGA Payment may be contained in one check. Before mailing any checks, the Settlement Administrator must run one Accurint (or substantially similar) skip trace as well as perform one basic search on the National Change of Address Database to attempt to obtain the best possible address for the Class Members and Aggrieved Employees.

4.5. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need

not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.6. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member of Aggrieved Employee leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.7. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

**5. RELEASES OF CLAIMS.** As of the date Defendant fully funds the Gross Settlement Amount and the employers' share of payroll taxes pursuant to the terms of this Agreement, Plaintiffs, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Releases. Upon funding of the settlement, to the fullest extent permitted by law, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, executors, administrators, successors, and assigns generally, fully, finally, and forever waive, release, and discharge Released Parties from any and all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorneys' fees, losses and expenses, known or unknown, suspected or unsuspected, filed or unfiled, they may have or have had against Defendant arising out of any known or unknown fact, condition or incident occurring prior to the date of this Agreement including, without limitation, any claims, demands, charges, causes of action, or complaints arising out of or in connection with Plaintiffs' employment with Defendant or the cessation thereof. This release includes, without limiting the generality of the foregoing: any and all claims, demands, causes of action, obligations, charges, liabilities, attorneys' fees, costs, compensatory and punitive damages, and all claims for any other type of relief relating to, arising out of, or based upon: claims of harassment, discrimination, and/or retaliation in violation of State or Federal law; all claims for failure to accommodate and/or failure to engage in the interactive process; violations, interference with and/or retaliation for requesting and taking a leave of absence under State or Federal law; all claims of violation of public policy, including a claim for wrongful and/or constructive termination of employment; all claims for fraud or misrepresentation; all claims based on tort and/or breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; all claims for unpaid wages, commissions, or other benefits, including minimum wage, regular, overtime, double time, vacation, associated penalties and/or premiums, and expense reimbursement; all claims for rest or meal periods and associated penalties and/or premiums; all claims for stock options; all claims for inaccurate wage statements; all claims for the alleged failure to pay all wages at separation; all claims for failure to timely provide documents for review and/or inspection; any claim for unlawful or unfair business practices; and claim regarding rights created in response to COVID-19, and any other applicable laws, regulations, and rules; all claims for emotional distress; and any and all claims and potential claims generally relating to Plaintiffs' employment with Defendant and/or the cessation thereof, including any alleged violation of any federal, state or other governmental statute, regulation, ordinance, or executive order including without limitation:

- (1) The Civil Rights Acts of 1866, 1964, and 1991, as amended;
- (2) 42 U.S.C. § 1981;
- (3) The California Fair Employment and Housing Act;
- (4) Section 503 of the Rehabilitation Act of 1973;
- (5) The Fair Labor Standards Act (including the Equal Pay Act);
- (6) The California and United States Constitutions;
- (7) The California Business and Professions Code;
- (8) The Employee Retirement Income Security Act, as amended;
- (9) The California Family Rights Act;
- (10) The Americans with Disabilities Act;
- (11) The Family Medical Leave Act;
- (12) The California Pregnancy Discrimination Act;
- (13) The California Industrial Welfare Commission Wage Orders;
- (14) The National Labor Relations Act;
- (15) The Immigration Reform and Control Act;
- (16) California Occupational Safety and Health Act, or the Federal equivalent;
- (17) The Worker Adjustment and Retraining Notification Act;
- (18) The Families First Coronavirus Response Act;
- (19) COVID-19 Supplemental Paid Sick Leave; and
- (20) The California Labor Code.

Plaintiff's general releases described above shall be collectively referred to in this Agreement as Plaintiffs' Releases. Plaintiffs acknowledge and agree that Plaintiffs' Releases include, without limitation, all claims, transactions, and/or occurrences that occurred during the Class Period or PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Actions, Operative Complaint, and/or PAGA Notices; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Actions, Operative Complaint, and PAGA Notices. Plaintiffs' Releases do not extend to any claims or actions to enforce this Agreement, or to any claims that cannot be waived as a matter of law such as claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs by executing this Agreement further represent and acknowledge they are currently unaware of any basis to make a claim for workers' compensation benefits at this time, and Plaintiffs represent, warrant and affirm no factual basis exists for a claim for increased compensation under *California Labor Code* section 132a based upon all facts and circumstances surrounding their alleged employment with Defendant and/or alleged employment with Released Parties and its termination.

Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that they now know or believe to be true but agree, nonetheless, that Plaintiffs' Releases shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

Plaintiffs' Releases in all respects have been voluntarily and knowingly executed with the express intention of effecting the legal consequences provided in California *Civil Code* section 1541, that is, the extinguishment of obligations herein designated.

5.2. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Releases, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of

section 1542 of the California Civil Code, which reads:

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

5.3 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and facts ascertained in the course of the Actions, including any and all claims involving any alleged: (a) failure to provide meal periods and/or pay premium wages; (b) failure to authorize and permit rest periods and/or pay premium wages; (c) failure to timely pay all minimum, regular, and/or overtime wages; (d) failure to reimburse for business expenses; (e) failure to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; (f) failure to furnish accurate itemized wage statements; (g) failure to maintain accurate employment records; and (h) violations of Business & Professions Code sections 17200-17204 (the “Released Class Claims”) during the Class Period. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.4. Release by Aggrieved Employees: All Aggrieved Employees, Plaintiffs, and the State of California (through Plaintiffs as Private Attorneys General) are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint during the PAGA Period, Plaintiffs’ PAGA Notices, and facts ascertained in the course of the Actions (the “Released PAGA Claims”), including any and all claims involving any alleged: (a) failure to provide legally compliant meal periods and/or pay premium wages for non-compliant meal periods during employment in violation of Labor Code §§ 226.7, 512, 558, and the “Meal Periods” section of the applicable IWC Wage Order; (b) failure to authorize and permit legally compliant rest periods and/or pay premium wages for non-compliant rest periods during employment in violation of Labor Code § 226.7 and the “Rest Periods” section of the applicable IWC Wage Order; (c) failure to timely pay all minimum, regular, and/or overtime wages during employment in violation of Labor Code §§ 204, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the “Minimum Wages” and “Hours and Days of Work” sections of the applicable IWC Wage Order; (d) failure to reimburse for all necessary business expenses in violation of Labor Code § 2802; (e) failure to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties in violation of Labor Code §§ 201-203; (f) failure to furnish accurate itemized wage statements in violation of Labor Code §§ 226, 226.3, and the “Records” section of the applicable IWC Wage Order; (g) failure to maintain accurate employment records in violation of Labor Code §§ 1174, 1174.5, and the “Records” section of the applicable IWC Wage Order; and (h) retaliation in violation of Labor Code §§ 98.6 and 1102.5.

**6. MOTION FOR PRELIMINARY APPROVAL.** Class Counsel will expeditiously prepare and

file the motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 Defendant’s Declaration in Support of Preliminary Approval. Within fifteen (15) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel attesting to their competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), operative complaint (Labor Code section 2699, subd. (s)(1)), this Agreement (Labor Code section 2699, subd. (s)(2)); (vi); and all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator.

6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

## **7. SETTLEMENT ADMINISTRATION.**

7.1 Selection of Administrator. The Parties have jointly selected the Administrator to serve and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or

relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than ten (10) business days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A, or as modified by the Court and agreed to by the Parties. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods worked during the PAGA Period (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the Response Deadline otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defense Counsel, Class Counsel or Defendant are contacted by or otherwise discover any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

## 7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator by email, fax, or mail a signed written Request for Exclusion no later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks Or Pay Periods. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks or Pay Periods worked that were allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator in writing via mail, email or fax. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume the Workweeks and Pay Periods worked contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and Pay Periods worked shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

## 7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Email Address and Toll-Free Number. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails. Upon request of a Class Member, the Administer will be authorized to provide the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval and the Judgment.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email the Exclusion List to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over

the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than fourteen (14) calendar days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator must also provide a breakdown of the Gross Settlement Amount, high/low/average payments to Participating Class Members, the total Pay Periods Worked by Class Members and Aggrieved Employees and the per Pay Period value of each. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

**8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on a review of its records as of the date of June 18, 2025, mediation, Defendant certified approximately 1,179 Class Members collectively worked a total of 106,134 Workweeks. The Parties agree that if the number of Workweeks exceeds 106,134 by more than ten percent (10%), the Gross Settlement Amount will be increased proportionately for each additional workweek above the ten percent (10%) threshold. For example, if the number of Workweeks increases by eleven percent (11%), the Gross Settlement Amount shall be increased by one percent (1%). Furthermore, if the number of Class Members increases such that it requires an increase in the settlement administrator's bid, Defendant will cover that additional cost outside of the GSA amount.

**9. DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

**10. MOTION FOR FINAL APPROVAL.** On the date set forth in the Order for Preliminary Approval and Class Notice, the Final Approval Hearing shall be held before the Court in order to: (1) review this Agreement and determine whether the Court should give it final approval, and (2) consider

any objections made and all responses by the Parties to such objections. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (s), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five (5) calendar days prior to filing the Motion for Final Approval. Defense Counsel shall provide any edits to the Motion for Final Approval two (2) calendar days prior to the filing deadline. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone or email, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court’s concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court’s award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement

Amount remains unchanged.

**11. AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

**12. ADDITIONAL PROVISIONS.**

No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Actions, Operative Complaint, or PAGA Notices have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, enter the Final Approval Order, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. If any of the events described above do not occur, the Settlement and this Agreement shall be null and void and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.1 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter, if any; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Class Counsel will not post any mention of the settlement on their website that includes any identification of Defendant by name. Plaintiffs' counsel may reference the settlement only as a construction industry settlement without reference to Defendant's specific type of work

12.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate

with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.6 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.7 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.8 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

12.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

12.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

12.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

12.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the

execution of this Agreement. Class Counsel and Plaintiffs agree that they will not issue any press release, press statement, initiate media coverage, or respond to any media inquiries regarding the Lawsuit, Defendant or the Released Parties, or the settlement of this Lawsuit. Class Counsel and Plaintiffs agree that any website or social media posting will refer to the Settlement only as a construction industry settlement without identification of Defendant by name, and without reference Defendant's specific type of work.

12.13 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

12.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

**GRAHAMHOLLIS APC**  
Hali M. Anderson  
handerson@grahamhollis.com  
Allison E. Schubert  
aschubert@grahamhollis.com  
3555 Fifth Avenue, Suite 200  
San Diego, California 92103  
Telephone: 619.692.0800  
Facsimile: 619.692.0822

**NORTH LAW, P.C.**  
Hengameh S. Safaei  
safaei@northlegalpc.com  
12100 Wilshire Boulevard, 8th Floor  
Los Angeles, California 90025

Telephone: (213) 868-3232  
Facsimile: (213) 315-0162

To Defendant:

FINCH, THORNTON & BAIRD, LLP  
4747 Executive Drive, Suite 700  
San Diego, CA 92121  
Chad T. Wishchuk  
cwishchuk@ftblaw.com  
Marlene C. Nowlin  
mnowlin@ftblaw.com

12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: \_\_\_\_\_

**PLAINTIFF RATHY SY:**

\_\_\_\_\_  
Plaintiff Rathy Sy

Dated: 8/12/2025

**PLAINTIFF SERGIO VILLARREAL HERNANDEZ**

DocuSigned by:  
  
\_\_\_\_\_  
QB49FBZF8580438...  
Plaintiff Sergio Villarreal Hernandez

Dated: 8/12/2025

**COUNSEL FOR PLAINTIFF:**

North Law, P.C.

DocuSigned by:  
  
\_\_\_\_\_  
AD495BFFE12445D...  
Hengameh S. Safaei  
Attorney for Plaintiff Sergio Villarreal Hernandez

Dated: \_\_\_\_\_

**COUNSEL FOR PLAINTIFF:**

GrahamHollis APC

\_\_\_\_\_  
Hali Anderson

Telephone: (213) 868-3232  
Facsimile: (213) 315-0162

To Defendant:

FINCH, THORNTON & BAIRD, LLP  
4747 Executive Drive, Suite 700  
San Diego, CA 92121  
Chad T. Wishchuk  
cwishchuk@ftblaw.com  
Marlene C. Nowlin  
mnowlin@ftblaw.com

12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

Dated: 8/13/2025

**PLAINTIFF RATHY SY:**

DocuSigned by:

*Rathy Sy*

\_\_\_\_\_  
Plaintiff Rathy Sy

Dated: \_\_\_\_\_

**PLAINTIFF SERGIO VILLARREAL HERNANDEZ**

\_\_\_\_\_  
Plaintiff Sergio Villarreal Hernandez

Dated: \_\_\_\_\_

**COUNSEL FOR PLAINTIFF:**

North Law, P.C.

\_\_\_\_\_  
Hengameh S. Safaei  
Attorney for Plaintiff Sergio Villarreal Hernandez

Dated: 8/12/2025

**COUNSEL FOR PLAINTIFF:**

GrahamHollis APC

*Hali Anderson*  
\_\_\_\_\_  
Hali Anderson

Attorney for Plaintiff Rathy Sy

Dated: \_\_\_\_\_

**DEFENDANT:**  
PACIFIC RIM MECHANICAL CONTRACTORS INC.

*J. James Mihlik*

By: J. James Mihlik

Title: CFO

Dated: 8/12/2025

**DEFENDANT'S COUNSEL:**  
**FINCH, THORNTON & BAIRD, LLP**

*Chad T. Wishchuk*

Chad Wishchuk, Counsel for Defendant PACIFIC RIM  
MECHANICAL CONTRACTORS INC.

END OF DOCUMENT

# Exhibit “A”

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

*Sy et al. v. Pacific Rim Mechanical Contractors, Inc.  
San Diego Superior Court Case No. 37-2023-00043406-CU-OE-CTL*

*Hernandez v. Pacific Rim Mechanical Contractors, Inc.  
San Diego Superior Court Case No. 37-2023-00043240-CU-OE-CTL*

***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 an employee class action lawsuit (“Action”) against Pacific Rim Mechanical Contractors, Inc. (“Defendant”) for alleged wage and hour violations. The Action by former employees Rathy Sy and Sergio Villarreal Hernandez (“Plaintiffs”) seeks payment of back wages and other relief for a class of hourly construction employees of Defendant who worked in California (“Class Members”) during the Class Period (October 5, 2019 through XXXXX); and (2) civil penalties under the California Private Attorneys General Act (“PAGA”) for all hourly construction employees of Defendant who worked in California during the PAGA Period (August 1, 2022 through XXXXX) (“Aggrieved Employees”). Office and service employees are excluded from this settlement.

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 \$\_\_\_\_\_ (less withholding) and your Individual PAGA Payment is estimated to be \$\_\_\_\_\_. 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 an Individual PAGA 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 \_\_\_\_\_ workweeks during the Class Period and you worked \_\_\_\_\_ workweeks during the PAGA Period. If you believe that you worked more workweeks during either period, 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 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, you have two basic options under the Settlement:

(1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

**Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.**

<p><b>You Don’t Have to Do Anything to Participate in the Settlement</b></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 wage claims against Defendant that are covered by this Settlement (Released Claims).</p>
<p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b></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. 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><b>The Opt-out Deadline is</b></p>	<p>Defendant must pay Individual PAGA Payments to all PAGA Group members and the PAGA Group members must give up their rights to pursue Released Claims (defined below).</p>

<p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by ____</b></p> <p>_____</p>	<p>The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p>
<p><b>You Can Participate in the ____ Final Approval Hearing</b></p>	<p>The Court’s Final Approval Hearing is scheduled to take place on _____. 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><b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b></p> <p><b>Written Challenges Must be Submitted by</b></p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked 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 Period 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>

**1. WHAT IS THE ACTION ABOUT?**

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to provide legally compliant meal periods and/or pay premium wages; failing to authorize or permit legally compliant rest periods and/or pay premium wages; failing to pay all minimum and regular wages; failing to pay all overtime wages; failing to reimburse for necessary business expenses; and failing to furnish accurate itemized wage statements, among other things. 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”).

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

Plaintiffs are represented by counsel in the Action (“Class Counsel”) and Defendant is represented by counsel (“Defense Counsel”). See Section 9 below for their contact information.

## **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 a retired judge in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) 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 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 \$2,000,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than thirty (30) days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
  - A. \$666,666.67 (one-third of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$45,000.00 for litigation expenses. To date, Class Counsel have worked and incurred expenses without payment.
  - B. \$15,000.00 as a Class Representative Award to each of the Plaintiffs, for a total of \$30,000, for filing the Action, working with Class Counsel and representing the Class. The Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs’ Individual Class Payment and any Individual PAGA

Payment.

- C. Up to \$13,990.00 to the Administrator for services administering the Settlement.
- D. \$100,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their share of Pay Periods worked during the PAGA Period.

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 Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Workweeks worked during the Class Period.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages (“Wage Portion”) and eighty percent (80%) to penalties and interest (“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 the Individual PAGA Payments and the Non-Wage Portions of the Individual Class 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 the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA 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 deposited with the Controller’s Unclaimed Property Fund in your name. If the monies represented by your check are deposited with the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). 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 the Response Deadline, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or their representative setting forth a Class Member’s name, present

address, telephone number, and a simple statement 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.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged 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 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: 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 LLC (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over workweeks and pay periods worked, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, 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 any other lawsuit against Defendant or related entities for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

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

(Match exact language Paragraph 5.3).

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against 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 its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases are as follows:

(Match exact language from Paragraph 5.4).

#### **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 during the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$25,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods Worked by each individual Aggrieved Employee during the PAGA Period.
3. Workweeks Worked and Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Period you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [INSERT DATE] ("Response Deadline") to challenge the number of Workweeks or PAGA 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 need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and PAGA Pay Period based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

#### **5. HOW WILL I GET PAID?**

1. Participating Class Members and Aggrieved Employees. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

**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, present address, 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, identify the Action *Sy et al. v. Pacific Rim Mechanical Contractors, Inc.*, San Diego Superior Court Case No. 37-2023-00043406-CU-OE-CTL and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your request to be excluded to the Administrator by INSERT DATE (the "Response Deadline"), 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. At least 16 court days before the INSERT DATE Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) A Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Awards stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Awards. 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. You can also access this information from the Court's Clerk's Office.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is INSERT DATE (the "Response Deadline").** 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 *Sy et al. v. Pacific Rim Mechanical Contractors, Inc.*, and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain 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 (immediately 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 INSERT DATE at

INSERT TIME in Department C-71 of the Superior Court of the State of California, County of San Diego located at the Hall of Justice, 330 W Broadway, San Diego, CA 92101. At the Hearing, the Judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement 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) either personally or virtually. You may also check the Court's website for the most current information. <https://www.sdcourt.ca.gov/sdcourt/generalinformation/courtrecords2/onlinecaserearch>

Class members may appear at the final approval hearing in person or remotely using the Microsoft Teams link for Department C-71. Instructions for appearing remotely are provided at: <https://www.sdcourt.ca.gov/sdcourt/civil2/civilicvirtualhearings> and should be reviewed in advance. Class members who wish to appear remotely are encouraged to contact Class Counsel at least three days before the hearing if possible, so that potential technology or audibility issues can be avoided or minimized.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Court's website or contact Class Counsel to verify the date and time of the Final Approval Hearing.

**9. HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything Defendants 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 \_\_\_\_\_ (url) \_\_\_\_\_. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://odyroa.sdcourt.ca.gov/Cases> and entering the Case Number for the Action.

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

<b><u>Class Counsel:</u></b>
GRAHAMHOLLIS APC Hali M. Anderson handerson@grahamhollis.com Allison E. Schubert aschubert@grahamhollis.com 3555 Fifth Avenue, Suite 200 San Diego, California 92103 Telephone: 619.692.0800 Facsimile: 619.692.0822

NORTH LAW, P.C.  
Hengameh S. Safaei  
safaei@northlegalpc.com  
12100 Wilshire Boulevard, 8th Floor  
Los Angeles, California 90025  
Telephone: (213) 868-3232  
Facsimile: (213) 315-0162

**Settlement Administrator:**

Apex Class Action LLC  
Email Address  
Mailing Address  
Telephone Number  
Fax Number  
Website url

**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. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

**11. WHAT IF I CHANGE MY ADDRESS?**

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