

1 TRAVIS K. JANG-BUSBY (SBN: 283256)
2 LESLIE A. HORWITZ (SBN: 314449)
3 tjang-busby@grsm.com
4 lhorwitz@grsm.com
5 GORDON REES SCULLY MANSUKHANI, LLP
6 633 West Fifth Street, 52nd floor
7 Los Angeles, CA 90071
8 Telephone: (213) 270-7868
9 Facsimile: (213) 680-4470

6 Attorneys for Defendant
7 CARDINAL PAINT AND POWDER, INC.

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 SUPERIOR COURT OF LOS ANGELES COUNTY

10 GILBERTO RODRIGUEZ, as an individual and)
11 on behalf of all others similarly situated,)

12 Plaintiff,)

13 v.)

14 CARDINAL PAINT AND POWDER, INC., a)
15 Nevada corporation; and DOES 1 through 100,)
16 inclusive,)

16 Defendants.)

CASE NO. 20STCV14711

STIPULATION OF SETTLEMENT

Complaint Filed: 04/15/2020

Judge: Hon. Yvette M. Palazuelos
Dept.: 09

Gordon Rees Scully Mansukhani, LLP
101 W. Broadway, Suite 2000
San Diego, CA 92101

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LIDMAN LAW, APC
Scott M. Lidman (SBN 199433)
slidman@lidmanlaw.com
Elizabeth Nguyen (SBN 238571)
enguyen@lidmanlaw.com
Milan Moore (SBN 308095)
mmoore@lidmanlaw.com
Romina Tamiry (SBN 328420)
rtamiry@lidmanlaw.com
2155 Campus Drive, Suite 150
El Segundo, California 90245
Tel.: (424) 322-4772
Fax: (424) 322-4775

Attorneys for Plaintiff
GILBERTO RODRIGUEZ

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff
GILBERTO RODRIGUEZ

1 This Stipulation of Settlement, including Exhibits A and B hereto (“Settlement,”
2 “Settlement Agreement” or “Agreement”), is made and entered into by, between, and among
3 Plaintiff GILBERTO RODRIGUEZ (“Plaintiff”) on behalf himself, the Settlement Class
4 Members, on the one hand, and Defendants CARDINAL PAINT AND POWDER, INC. and
5 CARDINAL INDUSTRIAL FINISHES (collectively “Defendants” or “CARDINAL”) on the
6 other hand. Plaintiff and Defendants (collectively, the “Parties”) enter into this Agreement to
7 effect a full and final settlement and preclusive judgment resolving all claims brought or that
8 could have been brought against CARDINAL based on the factual allegations alleged in the
9 cases entitled *Rodriguez v. Cardinal Paint and Powder, Inc.*, Case No. 20STCV14711 (referred
10 to as the “Action”). This Agreement is intended to fully and finally compromise, resolve,
11 discharge, and settle the Released Claims, as defined and on the terms set forth below, and to
12 the full extent reflected herein, subject to the approval of the Court.

13 **1. RECITALS**

14 This Agreement is made in consideration of the following facts:

15 1.1 WHEREAS, on April 15, 2020, Plaintiff commenced the Action by filing a Class
16 Action Complaint for Damages asserting causes of action for: (1) Failure To Pay All Minimum
17 Wages Owed (Labor Code §§1194, 1194.2, 1197); (2) Failure To Pay All Overtime Wages
18 Owed (Labor Code §§ 204, 510, 558, 1194, 1198); (3) Failure To Provide Meal Periods (Labor
19 Code §§ 226.7, 512, 558); (4) Failure To Authorize And Permit All Paid Rest Periods (Labor
20 Code §§ 226.7, 516, 558); and (5) Unfair Competition (Bus & Prof. Code § 17200 et seq.).

21 1.2 WHEREAS, on May 6, 2021, Plaintiff submitted notice to the Labor and
22 Workforce Development Agency (“LWDA”) seeking authority to pursue penalties under the
23 Private Attorneys General Act (“PAGA”) for violations of California law.

24 1.3 WHEREAS, after PAGA has been exhausted, but in no event before July 12, 2021,
25 Plaintiff will file a First Amended Complaint adding defendant Cardinal Industrial Finishes and
26 asserting causes of action for: (1) Failure To Pay All Minimum Wages Owed (Labor Code
27 §§1194, 1194.2, 1197); (2) Failure To Pay All Overtime Wages Owed (Labor Code §§ 204, 510,
28 558, 1194, 1198); (3) Failure To Provide Meal Periods (Labor Code §§ 226.7, 512, 558); (4)

1 Failure To Authorize And Permit All Paid Rest Periods (Labor Code §§ 226.7, 516, 558); and
2 (5) Failure to Timely Pay All Wages During Employment and Due Upon Separation of
3 Employment (Labor Code §§ 201-204); (6) Failure to Provide Accurate, Itemized Wage
4 Statements (Labor Code § 226); (7) Unfair Competition (Bus & Prof. Code § 17200 *et seq.*);
5 and (8) Civil Penalties under the PAGA (Labor Code § 2698 *et seq.*).

6 1.4 WHEREAS, the Parties engaged in extensive informal discovery, exchanging
7 information, documents and reviewing and analyzing extensive data made available by
8 CARDINAL which enabled the Parties to thoroughly evaluate Plaintiff's claims, the PAGA
9 claim, the claims of the putative Class, CARDINAL's defenses, and the likely outcomes, risks
10 and expense of pursuing litigation;

11 1.5 WHEREAS, the Parties attended a mediation session with private mediator
12 Jeffrey Krivis, Esq. and reached the terms of this arm's-length Settlement;

13 1.6 WHEREAS, a *bona fide* dispute exists as to whether any amount of wages or
14 penalties are due from CARDINAL to any putative Class Member (as defined below), to the
15 LWDA and/or to any allegedly aggrieved employees;

16 1.7 WHEREAS, the Parties desire to compromise and settle all issues and claims that
17 have been or could have been brought against CARDINAL based on the factual allegations
18 alleged in the Action, including all claims brought on a putative class and representative basis
19 in the Action;

20 1.8 WHEREAS, the Parties further agree that this Agreement, the fact of this
21 Settlement, any of the terms of this Agreement, and any documents filed in connection with the
22 Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as an
23 admission, finding, or evidence of: (i) any wrongdoing by any Released Parties, (ii) any violation
24 of any statute or law by Released Parties, (iii) any liability on the claims or allegations in the
25 Action on the part of any Released Parties, (iv) any waiver of CARDINAL's right to arbitration
26 or the enforceability of any arbitration agreement, or (v) the propriety of certifying a class or
27 pursuing representative relief under the PAGA in the Action or any other civil or administrative
28 proceeding; and this Agreement shall not be used by any person for any purpose whatsoever in

1 any administrative or legal proceeding, including but not limited to arbitrations, other than a
2 proceeding to enforce the terms of the Agreement;

3 1.9 NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND
4 AGREED, by Plaintiff for himself and on behalf of the Settlement Class Members and the
5 PAGA Employees, and by CARDINAL, that, subject to the approval of the Court, the Action
6 shall be settled and compromised, and the Released Claims shall be finally and fully
7 compromised and settled as to the Released Parties, in the manner and upon the terms and
8 conditions hereafter set forth in this Agreement.

9 **2. DEFINITIONS**

10 Unless otherwise defined herein, capitalized terms used in this Agreement shall have the
11 meanings set forth below:

12 2.1 “Action” means the operative First Amended Complaint filed in Los Angeles
13 County Superior Court Case No. 20STCV1471.

14 2.2 “Class Members” means all current and former hourly-paid or non-exempt
15 employees who worked for Cardinal Paint and Powder, Inc. and/or Cardinal Industrial Finishes
16 in the state of California at any time during the Class Period.

17 2.3 “Settlement Class Members” means all Class Members who do not opt out of this
18 Settlement.

19 2.4 “Class Period” means April 15, 2016 through the date of Preliminary Approval,
20 or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes
21 first.

22 2.5 “Class Counsel” means Paul K. Haines of Haines Law Group, APC and Scott M.
23 Lidman, Elizabeth Nguyen, Milan Moore, and Romina Tamiry of Lidman Law, APC.

24 2.6 “Class Counsel Award” means the attorneys’ fees and reimbursement of litigation
25 costs and expenses awarded by the Court to Class Counsel to fully satisfy all claims for
26 attorneys’ fees and costs incurred by Plaintiff to litigate and settle this Action. The attorneys’
27 fees may not exceed 1/3 of the Total Settlement Amount, or \$255,000. In addition, Class
28

1 Counsel shall be entitled to recover from the Total Settlement Amount all litigation costs and
2 expenses incurred subject to proof in an amount not to exceed \$30,000.

3 2.7 “Class Information” means information regarding the Class Members that
4 CARDINAL will in good faith compile from its records and provide to the Settlement
5 Administrator. Class Information shall be provided in a Microsoft Excel spreadsheet and shall
6 include, if possible, each Class Member’s full name, last known address, Social Security
7 number, number of workweeks during the Class Period and PAGA Period, and employment
8 dates as a non-exempt employee during the Class Period. Because Class Members’ private
9 information is included in the Class Information, the Settlement Administrator shall maintain
10 the Class Information in confidence, shall limit access to the information to only those
11 employees of the Settlement Administrator with a need to use the Class Information as part of
12 the administration of the Settlement, and shall use and disclose Class Information only for
13 purposes of this Settlement and for no other purpose.

14 2.8 “Class Notice” means the Notice of Class Action Settlement to be provided to
15 Class Members, substantially in the form attached hereto as “**Exhibit A.**”

16 2.9 “Plaintiff’s Complete and General Release” means an irrevocable and
17 unconditional release given only by Plaintiff releasing the Released Parties from any and all
18 claims under any state law, federal law, common law, equity or other theory in any way related
19 to his employment with Defendants against the Released Parties including all claims arising
20 from or related in any way to the claims and allegations asserted in the Action against
21 Defendants, including all claims that could have been stated based upon the claims or allegations
22 asserted in the Action, under federal, state, or local laws, and/or ordinances, or tort or contract
23 theories, whether known or unknown, and whether anticipated or unanticipated, including
24 without limitation statutory, constitutional, contractual or common law claims for wages,
25 damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs,
26 restitution, equitable relief or other relief under Business & Professions Code section 17200, *et*
27 *seq.*, including, without limitation, the following categories: (a) any and all claims involving any
28 alleged failure to pay minimum wage; (b) any and all claims involving any alleged failure to

1 pay employees for all hours worked, including but not limited to any claim for minimum,
2 straight time, or overtime wages; (c) any and all claims involving any alleged failure to pay
3 overtime wages; (d) any and all claims arising under state law involving any alleged failure to
4 properly provide meal periods and/or authorize and permit rest periods, to pay premiums for
5 missed, late, short or interrupted meal and/or rest periods, or to pay such premiums as required
6 by Labor Code section 226.7; (e) any and all claims involving any alleged failure to keep
7 accurate records or to issue proper wage statements to employees; (f) any and all claims
8 involving any alleged failure to timely pay wages, including but not limited to any claim that
9 Defendants violated Labor Code sections 201, 202, or 204, and any claim for waiting time
10 penalties under Labor Code section 203; (g) any and all claims for unfair business practices in
11 violation of Business and Professions Code sections 17200, et seq.; and (h) any and all penalties
12 pursuant to the Private Attorneys General Act ("PAGA") of 2004 arising out of any or all of the
13 aforementioned claims. Plaintiff's Complete General Release includes all such claims arising
14 under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203,
15 204, 210, 218.5, 218.6, 221, 225.5, 226, 226.3, 226.7, 227.3, 246, 256, 450, 510, 511, 512, 516,
16 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1197.2, 1198, 1199, 2800, 2802, and 2698 *et*
17 *seq.*); the Wage Orders of the California Industrial Welfare Commission; California Business
18 and Professions Code section 17200 *et seq.*; California Civil Code section 3336; the California
19 common law of contract. Plaintiff shall have fully, finally, and forever released, relinquished,
20 and discharged each and all of the Released Parties from any and all FLSA claims. This release
21 excludes the release of claims not permitted by law. This release in no way affects Plaintiff's
22 entitlement and/or benefits to be received by Plaintiff in workers' compensation pursuant to the
23 jurisdiction of workers' compensation. This release specifically does not resolve Plaintiff's
24 ongoing California workers' compensation claim, including but not limited to, ADJ
25 ADJ12791726 and ADJ14411381. Plaintiff hereby expressly waives and relinquishes any and
26 all claims, rights or benefits that either or both may have under California Civil Code § 1542,
27 which provides as follows:

**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**

1 **the release and that, if known by him or her, would have materially affected**
2 **his or her settlement with the debtor or released party.**

3 Plaintiff may hereafter discover claims or facts in addition to, or different from, those which he
4 now knows or believes to exist, but he expressly agrees to fully, finally, and forever settle and
5 release any and all claims against the Released Parties, known or unknown, suspected or
6 unsuspected, which exist or may exist, at the time of execution of this Agreement, including,
7 but not limited to, any and all claims relating to or arising from Plaintiff's employment with
8 Defendants, excluding claims that, by law, may not be privately released, including but not
9 limited to recovery under State workers' compensation laws. The Parties further acknowledge,
10 understand, and agree that this representation and commitment is essential to the Agreement and
11 that this Agreement would not have been entered into were it not for this representation and
12 commitment.

13 2.10 "Court" means the Los Angeles County Superior Court.

14 2.11 "Effective Date" means the date by which this Settlement is finally approved as
15 provided herein and the Court's Final Approval Order becomes binding. For purposes of this
16 Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1) the day
17 after the last day by which a notice of appeal of the Final Approval Order and/or of an order
18 rejecting any motion to intervene may be timely filed, and none is filed; (2) if such an appeal is
19 filed, and the Final Approval Order is affirmed, the day after the last date for filing a request for
20 further review of the decision passes and no further review is requested; (3) if an appeal is filed
21 and further review of the decision affirming the Final Approval Order is requested, the day after
22 the request for review is denied with prejudice and/or no further review of the decision can be
23 requested, or (4) if review is accepted, the day after the United States or California Supreme
24 Court affirms the Settlement. The Effective Date cannot occur, and CARDINAL will not be
25 obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or
26 further appeal that could potentially prevent this Settlement Agreement from becoming final
27 and binding. Absent intervention, the Parties further agree there is no right or opportunity for
28 any PAGA Employee to appeal the approval of the Settlement by the Court.

1 2.12 “Final Approval Date” means the date of the Court’s order finally approving this
2 Settlement.

3 2.13 “Final Approval Order” means the Court’s order finally approving this
4 Settlement.

5 2.14 “Final Approval Hearing” means the hearing at or after which the Court will make
6 a final decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, is
7 finally approved by the Court.

8 2.15 “Individual Settlement Share” means the *pro rata* share by Workweeks of the Net
9 Distribution Fund to each Settlement Class Member.

10 2.16 “Judgment” means the judgment to be entered in the Action upon final approval
11 of the Settlement.

12 2.17 “Mailed Notice Date” means the date of the initial mailing of the Class Notice to
13 Class Members.

14 2.18 “Net Distribution Fund” means the Total Settlement Amount, less the amount that
15 the Court awards for: the Service Award; the Class Counsel Award; the Settlement
16 Administrator Expenses; and the PAGA Payment.

17 2.19 “PAGA Release” means PAGA Employees will release and discharge the
18 Released Parties from civil penalties under California Labor Code Private Attorneys General
19 Act of 2004, Labor Code section 2698 *et seq.*, as asserted in the operative complaint that arose
20 during the PAGA Period premised on the facts, claims, causes of action or legal theories that
21 were asserted in the operative complaint and disclosed in the LWDA letter including: (1)
22 Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of
23 California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal Periods and Unpaid Meal
24 Period Premiums); (3) Violation of California Labor Code § 226.7 (Failure to Provide Rest
25 Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194,
26 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201
27 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages
28 Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-

1 Compliant Wage Statements); and (8) Violation of California Labor Code § 1174(d) (Failure To
2 Keep Requisite Payroll Records).

3 2.20 “PAGA Payment” means a total payment of \$30,000 as consideration for the
4 PAGA Release. From this amount, 75% (or \$22,500) will be paid to the LWDA and 25% (or
5 \$7,500) will be distributed to PAGA Employees. The PAGA Payment shall be payable from
6 the Total Settlement Amount.

7 2.21 “PAGA Period” means April 15, 2019 through the date of Preliminary Approval,
8 or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes
9 first.

10 2.22 “PAGA Employees” means all Class Members who worked for CARDINAL any
11 time during the PAGA Period.

12 2.23 “Plaintiff” means Gilberto Rodriguez.

13 2.24 “Preliminary Approval” means entry of the Preliminary Approval Order.

14 2.25 “Preliminary Approval Order” means the order granting preliminary approval of
15 this Settlement Agreement.

16 2.26 “Released Class Claims” means all claims actually alleged or that could have been
17 alleged in the Action by Plaintiff, on behalf of himself and the Settlement Class Members, based
18 on the facts alleged in the Action including but not limited to: (1) Violation of California Labor
19 Code §§ 510, 1194 and 1198, and IWC Wage Order 4-2001, § 3 (Unpaid Overtime); (2)
20 Violation of California Labor Code §§ 226.7, 510, 512, 1194, 1197, and IWC Wage Order 4-
21 2001, § 11 (Failure to Provide Meal Periods and Unpaid Meal Period Premiums); (3) Violation
22 of California Labor Code §§ 226.7, 512 and IWC Wage Order 4-2001, § 12 (Failure to Provide
23 Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§
24 1194, 1197, and 1197.1, and IWC Wage Order 4-2001, § 4 (Unpaid Minimum Wages); (5)
25 Violation of California Labor Code §§ 201, 202, and 203 (Final Wages Not Timely Paid); (6)
26 Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7)
27 Violation of California Labor Code § 226(a) and IWC Wage Order 4-2001, § 7 (Non-Compliant
28 Wage Statements); (8) Violation of California Business & Professions Code §§ 17200, *et seq.*;

1 (9) failure to pay all minimum and overtime wages due under the Fair Labor Standards Act (29
2 U.S.C. §201, *et seq.*); and (10) attorneys’ fees and costs of litigation associated with this Action.

3 2.27 “Released Parties” means (i) Cardinal Paint and Powder, Inc. and Cardinal
4 Industrial Finishes, and their past, present, and future parents, subsidiaries, affiliates, divisions,
5 joint ventures, licensees, franchisees, and any other legal entities, whether foreign or domestic,
6 and (ii) the past, present, and future shareholders, officers, directors, members, investors, agents,
7 employees, consultants, representatives, fiduciaries, insurers, attorneys, legal representatives,
8 predecessors, successors, and assigns of the entities listed in (i).

9 2.28 “Response Deadline” means the date by which a Class Member may (i) request to
10 be excluded from the Settlement, (ii) object to the Settlement, and/or (iii) dispute the number of
11 Workweeks credited to him or her. The Response Deadline shall be forty-five (45) calendar
12 days after the Mailed Notice Date, and shall be specifically identified and set forth in the
13 Preliminary Approval Order and the Class Notice. The Response Deadline may be extended in
14 the event the Class Notice is re-mailed to any Class Members as set forth in Paragraph 6.7 *infra*.
15 In the event the Class Notice is re-mailed the Settlement Administrator shall advise the Class
16 Member of the Extended Response Deadline.

17 2.29 “Service Award” means the amounts approved by the Court to be paid to Plaintiff,
18 in addition to Plaintiff’s respective Individual Settlement Payment. The Service Award payable
19 to Plaintiff shall not exceed \$5,000 and shall be payable from the Total Settlement Amount.

20 2.30 “Settlement,” “Settlement Agreement” and “Agreement” mean the settlement of
21 this Action between and among Plaintiff and CARDINAL, as set forth in this document.

22 2.31 “Settlement Administrator” means Phoenix Settlement Administrators.

23 2.32 “Settlement Administrator Expenses” means the maximum amount to be paid to
24 the Settlement Administrator, which shall not exceed \$9,750. All Settlement Administrator
25 Expenses are to be paid exclusively from the Total Settlement Amount.

26 2.33 “Total Settlement Amount” means Seven Hundred Sixty Five Thousand Dollars
27 (\$765,000), which is the maximum amount that CARDINAL is obligated to pay under this
28 Settlement Agreement, except for the employer’s share of payroll taxes with respect to the wage

1 portion of Individual Settlement Shares, in order to resolve and settle this Action, subject to
2 Court approval. The \$765,000 plus the employer’s share of payroll taxes is the maximum
3 amount CARDINAL is obligated to pay under this Settlement Agreement. The Total Settlement
4 Amount includes the Class Counsel Award, the Service Award, the Settlement Administrator
5 Expenses, the PAGA Payment (which includes Individual PAGA Payments to PAGA
6 Employees and payment to the LWDA), the Individual Settlement Shares, all related interest,
7 and all employee-side payroll and employment taxes on the wage portion of Individual
8 Settlement Shares. The Total Settlement Amount does not include the employer-side payroll
9 and employment taxes on the wage portion of Individual Settlement Shares, which CARDINAL
10 agrees to pay separately.

11 2.34 “Void Date” means the date by which any checks issued to Settlement Class
12 Members shall become void, i.e. on the 181st day after mailing.

13 2.35 “Workweeks” means the number of weeks during which a Class Member worked
14 for CARDINAL in the State of California during the Class Period.

15 **3. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

16 3.1 Certification Of Class: Solely for the purposes of this Settlement, the Parties
17 stipulate and agree that the Court may certify the Class.

18 3.2 Appointment Of Class Representative. Solely for the purposes of this Settlement,
19 the Parties stipulate and agree Plaintiff Gilberto Rodriguez shall be appointed as representative
20 of the Class.

21 3.3 Appointment Of Class Counsel. Solely for the purposes of this Settlement, the
22 Parties stipulate and agree that Class Counsel shall be approved as counsel for Settlement Class
23 Members.

24 3.4 Appointment Of Settlement Administrator. Solely for the purposes of this
25 Settlement, the Parties stipulate and agree that Phoenix Settlement Administrators shall be
26 appointed to serve as Settlement Administrator. The Settlement Administrator shall be
27 responsible for establishing: a case specific hosted website, a toll-free telephone number through
28 which Class Members may make inquiries about the Settlement; a Post Office Box for receipt

1 of Class Members' communications; preparing, printing and mailing the Class Notice; receiving
2 and reviewing requests for exclusion, objections and/or disputes, if any, submitted by Class
3 Members; calculating Individual Settlement Shares, and Individual PAGA Payments;
4 calculating and paying any and all payroll tax or other required withholdings from the wage
5 portion of the Individual Settlement Shares as required under this Settlement Agreement and
6 applicable law; providing weekly status reports to CARDINAL's Counsel and Class Counsel;
7 providing a due diligence declaration for the Court prior to the Final Approval Hearing; mailing
8 Individual Settlement Payments, the Service Award, the Class Counsel Award and 75% of the
9 PAGA Payment to the LWDA; printing and providing Plaintiff, Class Counsel, and Settlement
10 Class Members with IRS Forms W-2 and/or 1099 as required under this Settlement Agreement
11 and applicable law; providing a due diligence declaration for submission to the Court upon the
12 completion of the Settlement; and for such other tasks as the Parties mutually agree. The Parties
13 agree to cooperate in the settlement administration process and to make all reasonable efforts to
14 control and minimize Settlement Administrator Expenses.

15 3.5 Conditional Nature Of Stipulation For Certification. Solely for the purposes of
16 this Settlement, the Parties stipulate and agree to the certification of the Class. Should for
17 whatever reason the Settlement not become effective, the fact that the Parties were willing to
18 stipulate to certification as part of the Settlement shall have no bearing on, and shall not be
19 admissible in connection with, the issue of whether the Class should be certified in a non-
20 Settlement context in this Action or in any other lawsuit. CARDINAL expressly reserves its
21 right to oppose any claim or class certification in this or any other action should this Settlement
22 not become effective.

23 3.6 The Parties agree to stay all proceedings in the Action, except such proceedings
24 necessary to implement and complete the Settlement, pending the Final Approval Hearing.

25 3.7 The Settlement is not intended to and may not be deemed to affect the
26 enforceability of any arbitration agreement between CARDINAL and Plaintiff and/or between
27 CARDINAL and any Class Member.

28 **4. NON-REVERSIONARY SETTLEMENT CONSIDERATION**

1 4.1 CARDINAL’s total monetary obligation under this Settlement is the Total
2 Settlement Amount (\$765,000) and is non-reversionary. This is an “all in” number that includes,
3 without limitation, all monetary benefits and payments for Settlement Class Members, Service
4 Award, Class Counsel Award, the Settlement Administrator Expenses, and the PAGA Payment,
5 and all other claims for interest, fees, and costs. Under no circumstances shall CARDINAL be
6 required to pay anything more than the Total Settlement Amount, except that CARDINAL will
7 separately pay the employer payroll and employment taxes due for the wages portion of
8 Individual Settlement Shares made under this Agreement. In no event shall CARDINAL be
9 liable for making any payments under this Settlement, or for providing any relief to the
10 Settlement Class Members before the Effective Date of this Agreement. Within ten (10) calendar
11 days of the Effective Date, CARDINAL will transfer the amounts called for herein to the
12 Settlement Administrator provided the Settlement Administrator provides valid transmission
13 instructions, which shall include the amount of additional employer-side payroll taxes to be paid
14 by CARDINAL as calculated by the Settlement Administrator.

15 4.2 Non-Monetary Relief: Defendants shall implement written wage-and-hour
16 policies, to the extent they have not done so yet, to comply with California law.

17
18 4.3 Plaintiff and all Settlement Class Members who receive a payment of any kind
19 from the Total Settlement Amount (including, in the case of the Plaintiff, the Service Award)
20 expressly agree to hold Plaintiff, Class Counsel, Defendants, Defense Counsel and the
21 Settlement Administrator harmless from any claim or liability for taxes, penalties, or interest
22 arising as a result of the payments under this Settlement, with the exception of the payroll
23 withholdings required to be made and remitted by Defendants under the terms of this Settlement.

24 4.4 CARDINAL agrees not to oppose Plaintiff’s application for a Service Award in
25 the amount of up to \$5,000 to Plaintiff. Any Service Award awarded by the Court shall be paid
26 from the Total Settlement Amount. If the Court awards less than the full Service Award, then
27 the unawarded funds shall become part of the Net Distribution Fund.
28

1 4.5 Plaintiff shall seek a Class Counsel Award from the Court, consisting of attorneys’
2 fees in the amount of up to 1/3 of the Total Settlement Amount, or \$255,000, and all litigation
3 costs and expenses incurred subject to proof in an amount not to exceed \$30,000. CARDINAL
4 agrees not to oppose a request for these amounts. Any Class Counsel Award awarded by the
5 Court shall be paid from the Total Settlement Amount. Any portion of the Class Counsel Award
6 that is not approved by the Court and awarded to Class Counsel shall become part of the Net
7 Distribution Fund.

8 4.6 The Parties agree to allocate Thirty Thousand Dollars (\$30,000) for the PAGA
9 Payment, of which 75%, or \$22,500 shall be paid to the LWDA and the remaining 25%, or
10 \$7,500 shall be paid to PAGA Employees on a *pro rata* basis, based on workweeks in the PAGA
11 Period, if any, and irrespective of whether or not they request exclusion from the Settlement.
12 The PAGA Payment shall be paid from the Total Settlement Amount. Any portion of the PAGA
13 Payment that is not approved by the Court shall become part of the Net Distribution Fund.

14 4.7 The Settlement Administrator Expenses are estimated not to exceed \$9,750. The
15 Settlement Administrator Expenses shall be paid from the Total Settlement Amount. Any
16 portion of the Settlement Administrator Expenses not actually incurred by the Settlement
17 Administrator shall become part of the Net Distribution Fund.

18 4.8 The Settlement Administrator shall calculate the Individual Settlement Shares
19 based on the Class Information provided to the Settlement Administrator by CARDINAL.
20 Payment of Individual Settlement Shares to Settlement Class Members will be made from the
21 Net Distribution Fund on a *pro-rata* basis, based on Workweeks during the Class Period.
22 Specifically, the Net Distribution Fund shall be divided by the total of all Workweeks of
23 Settlement Class Members during the Class Period in order to establish the value of each
24 Workweek. The Individual Settlement Share to each Settlement Class Member shall be
25 calculated by multiplying the value of a Workweek by the number of Workweeks worked by
26 the Settlement Class Member during the Class Period.

27 4.9 PAGA Employees will receive a *pro-rata* share of 25% of the PAGA Payment
28 (“Individual PAGA Payment”) based on workweeks during the PAGA Period. Specifically,

1 25% of the PAGA Payment shall be divided by the total of all workweeks worked by PAGA
2 Employees during the PAGA Period in order to establish the value of each workweek. The
3 Individual PAGA Payment to be made to each PAGA Employee shall be calculated by
4 multiplying the value of a workweek by the number of workweeks worked by the PAGA
5 Employee during the PAGA Period.

6 4.10 Settlement Class Members may dispute the number of Workweeks with which
7 they have been credited, as reflected in their respective Class Notices. In order to dispute
8 Workweeks, Settlement Class Members must submit a written letter to the Settlement
9 Administrator that: (a) contains the case name and number of the Action, (b) is signed by the
10 Settlement Class Member, (c) contains the full name, address, telephone number, and the last
11 four digits of the Social Security Number of the disputing Settlement Class Member, (d) clearly
12 states that the Settlement Class Member disputes the number of Workweeks credited to him or
13 her and what he or she contends is the correct number to be credited to him or her, (e) includes
14 information and/or attaches documentation demonstrating that the number of Workweeks that
15 he or she contends should be credited to him or her are correct, and (f) is returned to the
16 Settlement Administrator by mail at the specified address, postmarked on or before the Response
17 Deadline. The date of the postmark on the submission will be the exclusive means to determine
18 whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of
19 CARDINAL's records and data as they pertain to the number of Workweeks to be credited to a
20 disputing Settlement Class Member, CARDINAL's records will be presumed correct and
21 determinative of the dispute. However, if a Class Member produces information and/or
22 documents to the contrary, the Settlement Administrator will evaluate the materials submitted
23 by the Class Member and the Settlement Administrator will resolve and determine the number
24 of eligible Workweeks that the disputing Settlement Class Member should be credited with
25 under the Settlement. The Settlement Administrator's decision on such disputes will be final
26 and non-appealable.

27 4.11 The Settlement Administrator shall allocate Thirty-Three percent (33%) of each
28 Individual Settlement Share to wages (to be reported on IRS Form W-2), and Sixty-Seven

1 percent (67%) of each Individual Settlement Share to interest, penalties, and other non-wage
2 damages (to be reported on IRS Form 1099, if applicable). Individual PAGA Payments will be
3 allocated as one hundred percent (100%) penalties (to be reported on IRS Form 1099). The
4 gross payment of each Settlement Class Member’s Individual Settlement Share and Individual
5 PAGA Payment (if applicable) is referred to as “Individual Settlement Payment.” Settlement
6 Class Members (except Plaintiff with respect to his Service Award) are not eligible to receive
7 any compensation other than the Individual Settlement Payments discussed above.

8 4.12 Amounts paid to Plaintiff and Settlement Class Members pursuant to this
9 Settlement Agreement do not count as earnings or compensation for purposes of any benefits
10 (e.g., 401(k) plans or retirement plans) sponsored by CARDINAL or the Released Parties.

11 4.13 In exchange for the consideration provided by CARDINAL, Plaintiff, individually
12 and on behalf of Plaintiff’s heirs, estates, trustees, executors, administrators, representatives,
13 agents, successors, and assigns, and anyone claiming through them or acting or purporting to
14 act on their behalf, agree to provide Plaintiff’s Complete and General Release.

15 4.14 In exchange for the consideration provided by CARDINAL, Settlement Class
16 Members, individually and on behalf of their heirs, estates, trustees, executors, administrators,
17 representatives, agents, successors, and assigns, and anyone claiming through them or acting or
18 purporting to act on their behalf, agree to forever release, discharge, and hold harmless each and
19 all of the Released Parties for the Released Class Claims during the Class Period.

20 4.15 In exchange for the consideration provided by CARDINAL, PAGA Employees,
21 individually and on behalf of their heirs, estates, trustees, executors, administrators,
22 representatives, agents, successors, and assigns, and anyone claiming through them or acting or
23 purporting to act on their behalf, agree to forever release, discharge, and hold harmless each and
24 all of the Released Parties for the PAGA Release during the PAGA Period.

25 4.16 Only those Settlement Class Members who cash, deposit, or negotiate an
26 Individual Settlement Payment check will be deemed to have opted in to the Settlement and
27 release of the Released Class Claims that arise under the Fair Labor Standards Act (“FLSA”).
28 The Class Notice and Individual Settlement Payment checks will apprise Class Members of this.

1 4.17 All releases identified herein shall be null and void if Defendants fail to fully fund
2 the Total Settlement Amount. The releases identified herein shall become effective on the date
3 on which Defendants fully fund the Total Settlement Amount “Effective Date of the Release”).

4 **5. PROCEDURE FOR REQUESTING PRELIMINARY APPROVAL OF THE**
5 **SETTLEMENT**

6 5.1 After execution of this Settlement Agreement, Plaintiff shall promptly submit a
7 motion for preliminary approval of the Settlement to the Court, along with the Settlement
8 Agreement. Plaintiff will provide the proposed motion to CARDINAL’s counsel of record no
9 less than five (5) calendar days before the motion is filed for review and comment. Plaintiff’s
10 motion for preliminary approval shall request that the Court enter a Preliminary Approval Order
11 in form and substance similar to that set forth in **Exhibit B**.

12 5.2 The Preliminary Approval Order shall:

- 13 • Conditionally certify the Settlement Class for settlement purposes;
- 14 • Preliminarily appoint Plaintiff as representative of the proposed Settlement Class;
- 15 • Preliminarily approve Class Counsel to represent the Settlement Class;
- 16 • Appoint Phoenix Settlement Administrators as the Settlement Administrator, and
17 order the Settlement Administrator to provide notice of the Settlement as outlined
18 below; and
- 19 • Stay all litigation of the Action pending the Final Approval Hearing, except as
20 necessary to implement and effectuate the Settlement; and
- 21 • Order that the preliminary approval of the Settlement, conditional certification of
22 the Settlement Class, and all actions associated with them, are undertaken on the
23 condition that they shall be vacated if the Settlement Agreement is disapproved
24 in whole or in part by the Court, or any appellate court and/or other court of
25 review in which event the Settlement Agreement and the fact that it was entered
26 into shall not be offered, received, or construed as an admission or as evidence
27 for any purpose, including but not limited to an admission by any Party of liability
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1 or non-liability or of the certifiability of a litigation class or the appropriateness
2 of maintaining a representative action.

3 5.3 The motion for preliminary approval shall request: that the Final Approval
4 Hearing and any determination on the request for a Class Counsel Award and Service Award be
5 set no earlier than forty-five (45) calendar days after the Response Deadline; and that Plaintiff
6 be permitted to file Plaintiff's motion for final approval of the Settlement no later than sixteen
7 (16) court days before the Final Approval Hearing.

8 5.4 At the same time that Plaintiff files the motion for preliminary approval, Class
9 Counsel will submit the Settlement Agreement to the LWDA.

10 **6. PROCEDURE FOR PROVIDING NOTICE OF SETTLEMENT**

11 6.1 No more than fifteen (15) calendar days after Preliminary Approval, CARDINAL
12 shall provide the Settlement Administrator with the Class Information for purposes of sending
13 the Class Notice to Class Members.

14 6.2 No more than thirty (30) calendar days after Preliminary Approval (i.e., the Mailed
15 Notice Date), the Settlement Administrator shall send the Class Notice to Class Members in
16 English and Spanish via first class U.S. Mail.

17 6.3 The Class Notice will inform Class Members that, unless they submit a request to
18 be excluded from the Settlement, they will become Settlement Class Members; they will receive
19 Individual Settlement Payments under the Agreement and, if they cash deposit or otherwise
20 negotiate their Individual Settlement Payment checks, they will thereby opt into the settlement
21 and release of Released Claims arising under the FLSA.

22 6.4 The Class Notice will inform Class Members of their right to request exclusion
23 from the Settlement, or to object to the Settlement, dispute the number of Workweeks credited
24 to each of them, and of the procedure for doing so. The Class Notice will also inform Class
25 Members that if they request exclusion from the Class they may not also object to the Settlement
26 or dispute the number of Workweeks credited to them, and will inform PAGA Employees that
27 all claims to PAGA penalties are settled by operation of law and that they are not able to exclude
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1 themselves from the PAGA Release and will receive an Individual PAGA Payment whether or
2 not they request exclusion from the Action and the Settlement.

3 6.5 The Class Notice shall include a statement as to the number of Workweeks
4 attributable to each Class Member, where applicable, as well as an explanation for how the
5 Workweeks will be used to calculate the Individual Settlement Shares and Individual PAGA
6 Payments (if applicable).

7 6.6 Upon receipt of the Class Information, the Settlement Administrator shall make a
8 good-faith attempt to obtain the most-current names and postal mail addresses for those
9 individuals, including cross-checking the names and/or postal mail addresses it received from
10 CARDINAL with other appropriate databases (e.g., the National Change of Address Database).
11 If any Class Notice mailed to any Class Member is returned, Settlement Administrator shall
12 make a good-faith attempt to obtain an updated mailing address within three (3) business days
13 of receiving the returned Class Notice and perform further reasonable searches (e.g., through
14 LexisNexis and/or utilizing a “skip trace”) for more-current names and/or postal mail addresses
15 for those individuals. All Class Members’ names and postal mail addresses obtained through
16 these sources shall be protected as confidential and not used for purposes other than the notice
17 and administration of this Settlement. The address determined by the Settlement Administrator
18 as the current mailing address shall be presumed to be the best mailing address for each Class
19 Members. The Settlement Administrator shall promptly re-mail the Class Notice to any Class
20 Member whose original notice was returned because of a wrong address within three business
21 days of obtaining an updated address and advise the Class Members of the Extended Response
22 Deadline.

23 6.7 If any Class Notice to a Class Member is returned to the Settlement Administrator
24 with a forwarding address, the Settlement Administrator shall forward the postal mailing to that
25 address within three (3) business days. Class Members whose Class Notices are re-mailed shall
26 have an additional ten (10) calendar days from the original Response Deadline to submit a
27 response (“Extended Response Deadline”). The Settlement Administrator will advise Class
28 Members of the Extended Response Deadline where applicable.

1 6.8 The Settlement Administrator shall continue to obtain updated mailing addresses
2 for any undeliverable Class Notices until the Response Deadlines. The Settlement
3 Administrator shall maintain a log detailing the instances Class Notices are returned as
4 undeliverable, re-mailed, and when applicable, returned again.

5 6.9 The Parties agree that the procedures set forth in this Section comply with all due
6 process requirements, constitute reasonable and the best practicable notice under the
7 circumstances, and constitute an appropriate and sufficient effort to locate current addresses for
8 Class Members such that no additional efforts to do so shall be required.

9 6.10 No more than fifteen (15) calendar days after the Response Deadline or Extended
10 Response Deadline in the event the Class Notice is re-mailed, the Settlement Administrator shall
11 provide a declaration of due diligence confirming: its dissemination of the Class Notice in
12 accordance with the notice procedures of this Agreement; all attempts by the Settlement
13 Administrator to locate Class Members; the number of delivered and undeliverable Class
14 Notices; the number of objections received (and copies of same); the number of requests for
15 exclusion received (but not copies of same); and the number of Workweek disputes received.
16 Class Counsel shall be responsible for filing the due diligence declaration with the Court.

17 **7. PROCEDURE FOR REQUESTING EXCLUSION**

18 7.1 Class Members who wish to exclude themselves from (or “opt out” of) the
19 Settlement must submit timely, written requests for exclusion from the Settlement to the
20 Settlement Administrator. To be effective, the request for exclusion from the Settlement must
21 include: the Class Member’s name, address, telephone number, and last four digits of his or her
22 Social Security number; the name and case number of the Action; a clear and unequivocal
23 statement that the individual wishes to be excluded from the Settlement; and the Class Member’s
24 signature.

25 7.2 The request for exclusion must be mailed to the Settlement Administrator at the
26 address provided in the Class Notice and must be postmarked no later than the Response
27 Deadline. The date of the postmark on the envelope containing the request for exclusion shall
28 be the exclusive means used to determine whether a request for exclusion has been timely

1 submitted. The Settlement Administrator shall provide the identities of those Class Member who
2 have opted out of the Settlement, if CARDINAL consents to such disclosure or disclosure is
3 required by the Court.

4 7.3 The Settlement Administrator shall immediately notify Class Counsel and counsel
5 for CARDINAL by email and phone if and when the number of timely-submitted requests for
6 exclusion reaches ten percent (10%) of all Class Members. If more than ten percent (10%) of
7 Class Members opt out of the Settlement, CARDINAL at its sole and absolute discretion may
8 elect to rescind and revoke the entire Settlement Agreement by sending written notice to Class
9 Counsel that it revokes the Settlement within twenty (20) calendar days after the Response
10 Deadline or Extended Response Deadline, if applicable.

11 7.4 All Class Members who do not opt out of the Settlement shall be bound by the
12 Final Approval Order and Judgment even if they never received the Class Notice or other actual
13 notice of this Settlement so long as the Class Members' information was part of the Class
14 Information that Defendants provide to the Settlement Administrator as required under the terms
15 of this Agreement.

16 7.5 Plaintiff agrees not to request exclusion from the Settlement.

17 7.6 The Parties agree there is no statutory or other right for any PAGA Employee to
18 opt out or otherwise exclude himself or herself from the settlement and release of the PAGA
19 Claims.

20 **8. PROCEDURE FOR WRITTEN OBJECTION**

21 8.1 Any Class Member who has not opted out of the Settlement (i.e., Settlement Class
22 Member) and who wishes to submit a written objection to the fairness, reasonableness, or
23 adequacy of this Agreement must provide the written objection to the Settlement Administrator
24 (who shall immediately forward it to Class Counsel and counsel for CARDINAL) by the
25 Response Deadline or Extended Response Deadline.

26 8.2 All written objections and supporting papers must be filed or postmarked no later
27 than the Response Deadline or Extended Response Deadline, if applicable. The date of the
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1 postmark on the envelope containing the objection shall be the exclusive means used to
2 determine whether the written objection has been timely submitted.

3 8.3 The objection must contain at least the following: (i) the objector's full name,
4 address, telephone number, last four digits of his or her Social Security number, and signature;
5 (ii) the name and case number of the Action; (iii) a statement of the specific legal and factual
6 basis for each objection argument; and (iv) a statement whether the objector intends to appear
7 at the Final Approval Hearing, either remotely, in person or through counsel and, if through
8 counsel, a statement identifying that counsel by name, bar number, address, and telephone
9 number.

10 8.4 Class Members may also appear either remotely, in person or through counsel and,
11 if through counsel, a statement identifying that counsel by name, bar number, address, and
12 telephone number, at the Final Approval Hearing to object.

13 8.5 Class Members who object to the Settlement shall remain Settlement Class
14 Members and shall be deemed to have voluntarily waived their right to pursue an independent
15 remedy against CARDINAL and the Released Parties for the Released Claims if the Court grants
16 final approval of the Settlement. To the extent any Settlement Class Member objects to the
17 Settlement, and such objection is overruled in whole or in part, those Settlement Class Members
18 will be forever bound by the Final Approval Order and Judgment if the Court grants final
19 approval of the Settlement.

20 8.6 The Parties agree there is no statutory or other right for any PAGA Employee to
21 object to PAGA Release portion of the Settlement.

22 **9. PROCEDURE FOR REQUESTING FINAL APPROVAL OF THE**
23 **SETTLEMENT**

24 9.1 Promptly after the Response Deadline, Plaintiff shall file a motion requesting final
25 approval of the Settlement, along with a proposed Final Approval Order. Drafts of the motion
26 for final approval of the Settlement and proposed Final Approval Order shall be provided to
27 CARDINAL's counsel at least five (5) court days before the documents are filed and approved
28 of in writing before it is filed.

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9.2 The Final Approval Order shall adjudge that, among other things:

- The Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement and that the Class Notice (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action, and their right to exclude themselves from or object to the proposed Settlement and to appear at the Final Approval Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable requirements of due process, and any other applicable rules or law;
- The Settlement is fair, reasonable, and adequate;
- Plaintiff and Class Counsel may adequately represent the Settlement Class for the purpose of entering into and implementing the Agreement;
- The Settlement Administrator is to execute the distribution of proceeds pursuant to the terms of this Agreement;
- The Final Approval Order and Judgment shall be final and entered forthwith;
- Without affecting the finality of the Final Approval Order and Judgment, the Court retains continuing jurisdiction over Plaintiff, CARDINAL, and Settlement Class Members, as to all matters concerning the administration, consummation, and enforcement of this Settlement Agreement;
- As of the Effective Date of the Release, Plaintiff and Settlement Class Members compromised, settled, discharged, and provided the release of the Released Class Claims and release of Released Claims arising under FLSA (in the case of Settlement Class Members who negotiate their settlement checks), during the applicable time period, against CARDINAL and the Released Parties, and are bound by the provisions of this Settlement Agreement;

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- Notwithstanding the submission of a timely request for exclusion, PAGA Employees are still bound by PAGA Release portion for the Settlement and the State’s claims for civil penalties pursuant to PAGA are also extinguished.
- This Settlement Agreement and the Final Approval Order and Judgment to be binding on, and have *res judicata* and preclusive effect in, all pending and future lawsuits or other proceedings that encompass Plaintiff’s and Settlement Class Members’ claims released herein, and that are maintained by or on behalf of Plaintiff and Settlement Class Members;
- The Settlement provided for herein, and any proceedings undertaken pursuant thereto, are not, and should not in any event be offered, received, or construed as evidence of, a presumption, concession, or an admission by any Party of liability or non-liability or of the certifiability or non-certifiability of a litigation class or collective, or that PAGA representative claims may validly be pursued;

9.3 At the Final Approval Hearing, Class Counsel shall request entry of an Order approving the Class Counsel Award and the Service Award to Plaintiff. Any such Class Counsel Award or Service Award shall be paid exclusively from the Total Settlement Amount. The disposition of Class Counsel’s application for a Class Counsel Award, and for Service Award, is within the sound discretion of the Court and is not a material term of this Settlement Agreement, and it is not a condition of this Settlement Agreement that such application be granted. Any disapproval or modification of such application by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) increase the consideration any Released Party pays in connection with the Settlement. Released Parties shall have no liability to Plaintiff or Class Counsel arising from any claim regarding the division of any attorneys’ fee/litigation cost award between and among Class Counsel.

10. PROCEDURE FOR EXECUTING THE SETTLEMENT IF/WHEN IT BECOMES EFFECTIVE

1 10.1 CARDINAL shall provide payment to the Settlement Administrator as provided
2 in Section 4.1

3 10.2 Within fifteen (15) calendar days of receipt of the Total Settlement Amount, the
4 Settlement Administrator shall distribute the following payments: (a) full payment to Plaintiff
5 for Plaintiff's Court-approved Service Award; (b) full payment to the LWDA for its 75% portion
6 of the PAGA Payment; (c) full payment of the Court-approved Settlement Administrator
7 Expenses; (d) full payment of the Court-approved litigation costs and expenses; (e) full payment
8 of the Individual Settlement Payments to Settlement Class Members; (f) full payment to the
9 PAGA Employees of their 25% portion of the PAGA Payment; and (g) the Court-approved
10 Class Counsel Award to Class Counsel.

11 10.3 The Settlement Administrator shall prepare all tax forms related to any and all
12 employer taxes incurred by CARDINAL as a result of this Settlement, shall inform CARDINAL
13 and its Counsel of the amounts owed, shall collect the necessary funds from CARDINAL and
14 remit them to the requisite taxing authorities.

15 10.4 If any Individual Settlement Payments are not cashed, deposited, or negotiated on
16 or before the Void Date, then within thirty (30) calendar days of the Void Date, the Settlement
17 Administrator shall void the uncashed checks and shall transmit such funds to the California
18 State Controller's Office's Unclaimed Property Fund division in the name of the Settlement
19 Class Member who did not negotiate his or her check.

20 10.5 Upon completion of administration of the Settlement, the Settlement
21 Administrator will provide a written declaration under oath to certify such completion to the
22 Court and counsel for all Parties. Class Counsel shall file the declaration with the Court to
23 confirm full satisfaction of the Settlement.

24 10.6 The Individual Settlement Payments cashed shall be reported by the Settlement
25 Administrator to the applicable governmental authorities on IRS Forms W-2 and/or 1099s (if
26 required). The portions allocated to Service Award shall likewise be reported on IRS Form
27 1099s by the Settlement Administrator. The Settlement Administrator shall be responsible for
28 issuing copies of all IRS Forms for the Plaintiff and Settlement Class Members.

1 10.7 The Parties make no representation as to the tax treatment or legal effect of the
2 payments called for hereunder, and Plaintiff and the Settlement Class Members are not relying
3 on any statement, representation, or calculation by any of the Parties, their counsel, or by the
4 Settlement Administrator in this regard. Plaintiff and Settlement Class Members understand
5 and agree that they will be solely responsible for payment of any taxes and penalties assessed
6 on the payments described herein and will hold Plaintiff, Class Counsel, CARDINAL,
7 CARDINAL's counsel and the Released Parties free and harmless from and against any claims
8 resulting from the tax treatment of payments under this Agreement, with the sole exception of
9 the employer's portion of the payroll withholdings described in paragraph 10.3, above. Plaintiff
10 and the Settlement Class Members acknowledge and agree that no provision of this Settlement,
11 and no written communication or disclosure between or among the Parties or their attorneys and
12 other advisers, is or was intended to be, nor will any such communication or disclosure constitute
13 or be construed or be relied upon as, tax advice within the meaning of United States Treasury
14 Department Circular 230 (31 C.F.R. Part 10, as amended).

15 10.8 Payments and tax reporting by the Settlement Administrator in the manner
16 described above shall be deemed conclusive of compliance with this Settlement Agreement as
17 to all Settlement Class Members. No Settlement Class Members shall have any claim against
18 the Plaintiff, Class Counsel, CARDINAL, CARDINAL's counsel or the Settlement
19 Administrator for distributions made substantially in accordance with this Settlement
20 Agreement and/or orders of the Court.

21 **11. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF**
22 **SETTLEMENT AGREEMENT**

23 11.1 If the Court does not approve the Settlement as set forth in this Settlement
24 Agreement, or if the Court enters the Judgment and appellate review is sought, and on such
25 review, the entry of Judgment is vacated, modified in any way, or reversed, or if the Final
26 Approval Order does not otherwise become Final, then this Settlement Agreement shall be
27 cancelled and terminated, unless all Parties, in their sole discretion within thirty (30) days from
28 the date such ruling becomes final, provide written notice to all other Parties hereto of their

1 intent to proceed with the Settlement under the terms of the Judgment as it may be modified by
2 the Court or any appellate court.

3 11.2 In the event that: (i) the Settlement is not approved, is overturned, or is materially
4 modified by the Court or on appeal, (ii) the Judgment does not become Final, or (iii) this
5 Settlement Agreement is terminated, cancelled, or fails to become effective pursuant to this
6 Agreement, then: (a) the Parties stipulate and agree that the Settlement, the Class Information,
7 and all documents exchanged and filed in connection with the Settlement shall be treated as
8 inadmissible mediation communications under Cal. Evid. Code §§ 1115 *et seq.*, (b) the
9 Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its
10 terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain
11 effective and enforceable; (c) the Parties shall be deemed to have reverted to their respective
12 status prior to execution of this Agreement; (d) all Orders entered in connection with the
13 Settlement, including the certification of the Class, shall be vacated without prejudice to any
14 Party's position on the issue of class certification, the issue of amending the complaint, or any
15 other issue, in this Action or any other action, and the Parties shall be restored to their litigation
16 positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed
17 in all respects as if the Settlement Agreement and related documentation and orders had not been
18 executed, and without prejudice in any way from the negotiation or fact of the Settlement or the
19 terms of the Settlement Agreement. The Settlement, all documents, orders, and evidence
20 relating to the Settlement, the fact of their existence, any of their terms, any statement or report
21 concerning the Settlement Agreement, its existence, or their terms, any negotiations,
22 proceedings, acts performed, or documents executed pursuant to or in furtherance of the
23 Settlement Agreement shall not be admissible in any proceeding, and shall not be offered,
24 received, or construed as evidence of a presumption, concession, or an admission of liability, of
25 unenforceability of any arbitration agreement, of the certifiability of a litigation class, or
26 otherwise used by any Person for any purpose whatsoever, in any trial of this Action or any
27 other action or proceedings.

28 **12. ADDITIONAL PROVISIONS**

1 12.1 The Class Notice is the approved method for communicating with Class Members
2 about the Settlement. Plaintiff and Class Counsel will not issue any news media releases, initiate
3 any contact with the news media, respond to any news media inquiry, post any information on
4 a website (including social media), or have any other public communication about the Action or
5 the fact, amount or terms of the Settlement. Nothing in this Agreement prohibits Plaintiff or
6 Class Counsel from discussing the terms of the Settlement with Class Members after the Motion
7 for Preliminary Approval has been filed. For the limited purpose of allowing Class Counsel to
8 prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the
9 Parties in this Action, the venue/case number of this Action, and a general description of the
10 Action, to a court in a declaration by Class Counsel.

11 12.2 All of the Exhibits to this Agreement are an integral part of the Settlement and are
12 incorporated by reference as though fully set forth herein.

13 12.3 Unless otherwise noted, all references to “days” in this Agreement shall be to
14 calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend
15 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

16 12.4 The Parties to the Settlement Agreement agree that the terms of the Settlement
17 were negotiated at arm’s length and in good faith by the Parties, resulted from an arm’s-length
18 mediation session, and reflect a settlement that was reached voluntarily based upon adequate
19 information and sufficient discovery and after consultation with experienced legal counsel.

20 12.5 Plaintiff, Class Counsel, CARDINAL, and counsel for CARDINAL have
21 concluded that the Settlement set forth herein constitutes a fair, reasonable, and adequate
22 resolution of the claims that Plaintiff asserted against CARDINAL, including the claims on
23 behalf of the Class Members, and that it promotes the best interests of the Class Members.

24 12.6 To the extent permitted by law and unless otherwise necessary to seek Court
25 approval of this Settlement Agreement, all agreements made and orders entered during the
26 course of the Action relating to the confidentiality of information shall survive this Settlement
27 Agreement.

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1 representations, warranties, and covenants contained and memorialized in this Settlement
2 Agreement and its Exhibits.

3 12.11 This Settlement Agreement may be executed in one or more counterparts. All
4 executed counterparts and each of them, including facsimile, electronic, and scanned copies of
5 the signature page, shall be deemed to be one and the same instrument.

6 12.12 The Parties hereto and their respective counsel agree that they will use their best
7 efforts to obtain all necessary approvals of the Court required by this Settlement Agreement.
8 The Parties agree that Plaintiff will submit to the Court a Motion for Preliminary Approval of
9 this Settlement containing all of the terms and conditions contained herein notwithstanding any
10 new legal developments regarding the Released Class Claims or PAGA Release.

11 12.13 This Settlement Agreement shall be binding upon and shall inure to the benefit of
12 the successors and assigns of the Parties hereto, including any and all Released Parties and any
13 corporation, partnership, or other entity into or with which any Party hereto may merge,
14 consolidate, or reorganize.

15 12.14 In the event of any dispute arising out of the performance or breach of any
16 provision of this Settlement Agreement, the prevailing party in such dispute(s) shall be entitled
17 to recover his and/or its reasonable attorneys' fees and costs incurred arising from such dispute

18 12.15 This Settlement Agreement shall not be construed more strictly against one Party
19 than another merely because of the fact that it may have been prepared by counsel for one of the
20 Parties, it being recognized that because of the arm's-length negotiations resulting in the
21 Settlement Agreement, all Parties hereto have contributed substantially and materially to the
22 preparation of the Settlement Agreement.

23 12.16 Except where this Settlement Agreement itself provides otherwise, all terms,
24 conditions, and Exhibits are material and necessary to this Settlement Agreement and have been
25 relied upon by the Parties in entering into this Settlement Agreement.

26 12.17 This Settlement Agreement shall be governed by California law. Any action based
27 on this Settlement Agreement, or to enforce any of its terms, shall be venued in the Los Angeles
28 County Superior Court, which shall retain jurisdiction over all such disputes. All Parties to this

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Settlement Agreement shall be subject to the jurisdiction of said Court for all purposes related to this Settlement Agreement.

12.18 The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement for the purpose of the administration and enforcement of this Settlement Agreement.

12.19 The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

12.20 In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

SO STIPULATED.

Date: Jun 22, 2021

GILBERTO RODRIGUEZ



Gilberto Rodriguez (Jun 22, 2021 09:57 PDT)

Plaintiff

Date: _____, 2021

CARDINAL PAINT AND POWDER,
INC.

By: _____

Its: _____

Date: _____, 2021

CARDINAL INDUSTRIAL FINISHES

By: _____

Its: _____

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Settlement Agreement shall be subject to the jurisdiction of said Court for all purposes related to this Settlement Agreement.

12.18 The Court shall retain continuing and exclusive jurisdiction over the Parties to this Settlement Agreement for the purpose of the administration and enforcement of this Settlement Agreement.

12.19 The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

12.20 In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

SO STIPULATED.

Date: _____, 2021 GILBERTO RODRIGUEZ

Plaintiff

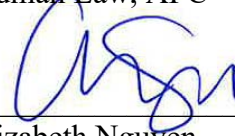
Date: June 17, 2021 CARDINAL PAINT AND POWDER,
INC.
Lawrence C. Felix
By: Lawrence C. Felix
Its: President

Date: June 17, 2021 CARDINAL INDUSTRIAL FINISHES
Lawrence C. Felix
By: Lawrence C. Felix
Its: President

APPROVED AS TO FORM

1 Date: June 22, 2021

Lidman Law, APC



Elizabeth Nguyen
Scott M. Lidman
Attorneys for Plaintiff Gilberto Rodriguez
and the putative class acting on behalf of
the State of California as Private Attorneys
General

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Haines Law Group, APC



Paul K. Haines
Attorneys for Plaintiff Gilberto Rodriguez
and the putative class acting on behalf of
the State of California as Private Attorneys
General

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Gordon Rees Scully Mansukhani, LLP

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Travis K. Jang-Busby
Leslie A. Horwitz
Attorneys for Defendants

APPROVED AS TO FORM

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Date: _____, 2021

Lidman Law, APC

Elizabeth Nguyen
Scott M. Lidman
Attorneys for Plaintiff Gilberto Rodriguez
and the putative class acting on behalf of
the State of California as Private Attorneys
General

Date: _____, 2021

Haines Law Group, APC

Paul K. Haines
Attorneys for Plaintiff Gilberto Rodriguez
and the putative class acting on behalf of
the State of California as Private Attorneys
General

Date: June 21 _____, 2021

Gordon Rees Scully Mansukhani, LLP



Travis K. Jang-Busby
Leslie A. Horwitz
Attorneys for Defendants

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Gilberto Rodriguez v. Cardinal Paint and Powder, Inc.
Los Angeles County Superior Court, Case No. 20STCV14711

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced matter.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Notice is designed to advise you of your rights and options with respect to the settlement.

By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), you are notified that: preliminary approval of a proposed class action settlement (the "Settlement") of the lawsuit filed by a former employee Plaintiff Gilberto Rodriguez ("Plaintiff") against Defendants Cardinal Paint and Powder, Inc. and Cardinal Industrial Finishes (collectively, "Defendants"), was granted by the Court on [Preliminary Approval Date], in the case entitled *Gilberto Rodriguez v. Cardinal Paint and Powder, Inc. et al.*, Los Angeles County Superior Court, Case No. 20STCV14711 (the "Action"), which may affect your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

If you are a Class Member, you do not need to take any action to receive a settlement payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive payment under the Settlement), object to the Settlement, and/or dispute the number of Workweeks credited to you, if you so choose, as explained more fully in Section III below.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees who worked for Defendants Cardinal Paint and Powder, Inc. and/or Cardinal Industrial Finishes in the state of California from April 15, 2016 through [the date of Preliminary Approval, or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes first].

"Class Member" means a member of the Class.

"Class Period" means the period from April 15, 2016 through [the date of Preliminary Approval, or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes first].

"PAGA Employees" means all Class Members who worked for Defendants any time during the PAGA Period. PAGA Employees cannot request to be excluded from the PAGA portion of the settlement and will receive an Individual PAGA Payment even if they submit a request to be excluded.

"PAGA Period" means April 15, 2019 through [the date of Preliminary Approval, or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes first].

"Settlement Class Members" means Class Members who do not exercise their right to request exclusion from the Action. Class Members who request exclusion (explained below) retain their right to sue Defendants, if they choose, but will not receive any payment under the proposed class settlement.

II. BACKGROUND OF THE ACTION

Plaintiff brought this Action on behalf of himself and the Class Members against Defendants, alleging that Defendants failed to pay all minimum and overtime wages owed, failed to provide all required meal and rest periods, failed to provide itemized

wage statements in compliance with California law, failed to timely pay wages upon separation and during employment, and thereby engaged in unfair business practices and are liable for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”). Defendants deny all of the allegations in the Action or that they violated any law, and contend that at all times Defendants have fully complied with all applicable federal, state, and local laws.

The Court has not ruled that Defendants violated any laws or whether Plaintiff or any other person is entitled to damages or other relief.

After Defendants provided relevant information to Class Counsel, the Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached the Settlement. The Court has appointed [Name of Admin] as the administrator of the Settlement (“Settlement Administrator”), Plaintiff, as representative of the Class (“Class Representative”), and the following law firms as counsel for the Class (“Class Counsel”):

LIDMAN LAW, APC Scott M. Lidman slidman@lidmanlaw.com Elizabeth Nguyen enguyen@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com Romina Tamiry rtamiry@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com	HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com 155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com
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The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff or to Class Members. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable and adequate, and that the Settlement is in the best interests of the Class Members.

If you are still employed by Defendants, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants’ policies strictly prohibit unlawful retaliation. Defendants will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member’s decision to either participate or not participate in the Settlement.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Total Settlement Amount is Seven Hundred Sixty-Five Thousand Dollars (\$765,000) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to Class Members who do not opt out of this Settlement (“Settlement Class Members”) is referred to as the “Net Distribution Fund.” The Net Distribution Fund will be the Total Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount of up to 1/3 of the Total Settlement Amount (i.e., up to \$255,000) and reimbursement of litigation costs and expenses in an amount of up to Thirty Thousand Dollars (\$30,000) to Class Counsel (collectively, “Class Counsel Award”); (2) a service award in an amount not to exceed Five Thousand Dollars (\$5,000) to Plaintiff for Plaintiff’s services (“Service Award”); (3) settlement administration costs in an amount not to exceed Nine Thousand Seven Hundred Fifty Dollars

(\$9,750.00) to the Settlement Administrator (“Settlement Administrator Expenses”); and (4) the allocation of Thirty Thousand Dollars (\$30,000) to settle all claims under the California Private Attorneys General Act (“PAGA”) (“PAGA Payment”), of which 75%, or \$22,500, will be paid to the California Labor and Workforce Development Agency (“LWDA”) and the remaining 25%, or \$7,500 will be paid to the PAGA Employees on a *pro rata* basis.

Individual Settlement Share: Class Members are eligible to receive a *pro rata* share of the Net Distribution Fund based on the number of Workweeks during which they worked for Defendants in the State of California during the Class Period. Specifically, the Net Distribution Fund will be divided by the total of all Workweeks of Settlement Class Members during the Class Period in order to establish the value of each Workweek. The Individual Settlement Share of each Settlement Class Member will be calculated by multiplying the value of a Workweek by the number of Workweeks worked by the Settlement Class Member during the Class Period (“Individual Settlement Share”).

Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wage portion of the Individual Settlement Share.

Each Individual Settlement Share will be allocated as **Thirty-Three** percent (33%) to wages (which will be reported on an IRS Form W2), and Sixty-Seven percent (67%) to interest, penalties, and other non-wage damages (which will be reported on an IRS Form 1099, if applicable).

Individual PAGA Payment: PAGA Employees will receive a *pro rata* share of \$7,500 (which is 25% of the PAGA Payment) based on their number of Workweeks during the PAGA Period. Specifically, the \$7,500 will be divided by the total of all Workweeks worked by all PAGA Employees during the PAGA Period in order to establish the value of each Workweek worked. The Individual PAGA Payment of each PAGA Employee will be calculated by multiplying the value of a Workweek by the number of Workweeks worked by the PAGA Employee during the PAGA Period (“Individual PAGA Payment”).

Individual PAGA Payments will be allocated as one hundred percent (100%) penalties (which will be reported on IRS Form 1099).

Allocation and Taxes. The Settlement Administrator will be responsible for issuing to Settlement Class Members and PAGA Employees IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class Members and PAGA Employees are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members and PAGA Employees should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

The gross payment of each Settlement Class Member’s Individual Settlement Share (before reduction for the employee’s share of taxes on the wage portion) and Individual PAGA Payment (if applicable) is referred to as their “Individual Settlement Payment.”

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and PAGA Employees at the address that is on file with the Settlement Administrator by way of one (1) check. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to.**

The Total Settlement Amount shall be paid by Defendants with the Settlement Administrator within 10 calendar days after the “Effective Date”. The “Effective Date” means the date by which the Settlement is finally approved as provided herein and the Court’s Final Approval Order becomes binding. For purposes of the Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1) the day after the last day by which a notice of appeal of the Final Approval Order and/or of an order rejecting any motion to intervene may be timely filed, and none is filed; (2) if such an appeal is filed, and the Final Approval Order is affirmed, the day after the last date for filing a request for further review of the decision passes and no further review is requested; (3) if an appeal is filed and further review of the decision affirming the Final Approval Order is requested, the day after the request for review is denied with prejudice and/or no further review of the decision can be requested; or (4) if review is accepted, the day after the United States or California Supreme Court

affirms the Settlement.

Within 15 calendar days following Defendants' deposit of the Total Settlement Amount with the Settlement Administrator, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings, to Settlement Class Members and PAGA Employees.

Check Cashing Deadline. If you receive an Individual Settlement Payment, you must cash the check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class Members or PAGA Employees whose checks are not cashed within 180 days after mailing will be transferred to the California Secretary of State- Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class Member or PAGA Employee.

B. Your Workweeks Based on Defendants' Records

According to Defendants' records:

During the Class Period, you worked for Defendants as an hourly-paid or non-exempt employee in California for [REDACTED] Workweeks.

During the PAGA Period, you worked for Defendants as an hourly-paid or non-exempt employee in California for [REDACTED] Workweeks.

If you wish to dispute the number of Workweeks credited to you, you must submit a written letter to the Settlement Administrator. The written dispute must: (a) contain the case name and number of the Action (*Gilberto Rodriguez v. Cardinal Paint and Powder, Inc.*, Los Angeles County Superior Court, Case No. 20STCV14711); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be mailed to the Settlement Administrator at the address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment are based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED] and your Individual PAGA Payment (if applicable) is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholding with respect to the wage portion of the Individual Settlement Share.

Individual Settlement Payments will only be distributed if the Court gives Final Approval of the Settlement and after the Settlement goes into effect.

The Settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Share and Individual PAGA Payment may be higher or lower.

D. Released Class Claims

Unless you submit a request for exclusion, each of the Settlement Class Members (including the Class Representative) will, by operation of the Judgment, release the Released Parties from the Released Class Claims for the Class Period upon the Effective Date if the Court grants final approval of the settlement.

"Class Period" means April 15, 2016 through [the date of Preliminary Approval, or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes first].

"Released Class Claims" means all claims actually alleged or that could have been alleged in the Action by Plaintiff, on behalf of himself and the Settlement Class Members, based on the facts alleged in the Action including but not limited to: (1) Violation of California Labor Code §§ 510, 1194 and 1198, and IWC Wage Order 4-2001, § 3 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7, 510, 512, 1194, 1197, and IWC Wage Order 4-2001, § 11 (Failure to Provide

Meal Periods and Unpaid Meal Period Premiums); (3) Violation of California Labor Code §§ 226.7, 512 and IWC Wage Order 4-2001, § 12 (Failure to Provide Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1, and IWC Wage Order 4-2001, § 4 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201, 202, and 203 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) and IWC Wage Order 4-2001, § 7 (Non-Compliant Wage Statements); (8) Violation of California Business & Professions Code §§ 17200, *et seq.*; (9) failure to pay all minimum and overtime wages due under the Fair Labor Standards Act (29 U.S.C. §201, *et seq.*, if you negotiate your Individual Settlement Payment check); and (10) attorneys' fees and costs of litigation associated with this Action.

“Released Parties” means (i) Defendants Cardinal Paint and Powder, Inc., Cardinal Industrial Finishes, and their past, present, and future parents, subsidiaries, affiliates, divisions, joint ventures, licensees, franchisees, and any other legal entities, whether foreign or domestic, and (ii) the past, present, and future shareholders, officers, directors, members, investors, agents, employees, consultants, representatives, fiduciaries, insurers, attorneys, legal representatives, predecessors, successors, and assigns of the entities listed in (i).

This release is null and void if Defendants fail to fully fund the Settlement.

E. PAGA Release

If you are a PAGA Employee and if the Court approves the Settlement, then whether or not you exclude yourself from the Settlement Class, you will receive an Individual PAGA Payment and you will no longer be able to seek penalties pursuant to the California Labor Code Private Attorneys General Act based on the PAGA Release.

“PAGA Release” means PAGA Employees will release and discharge the Released Parties from civil penalties under California Labor Code Private Attorneys General Act of 2004 as asserted in the operative complaint that arose during the PAGA Period premised on the facts, claims, causes of action or legal theories that were asserted in the operative complaint and disclosed in the LWDA letter including: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal Periods and Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Failure to Provide Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); and (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records)

“PAGA Period” means April 15, 2019 [through the date of Preliminary Approval, or the date on which the Workweeks are equal to or do not exceed 51,750, whichever comes first].

This release is null and void if Defendants fail to fully fund the Settlement.

F. Class Counsel Award to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to 1/3 of the Total Settlement Amount (i.e., up to \$255,000) and reimbursement of litigation costs and expenses in an amount of up to thirty thousand dollars (\$30,000), to be paid from the Total Settlement Amount, subject to approval by the Court. Class Counsel have been prosecuting the Action on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

G. Service Award to Plaintiff

Plaintiff will seek the amount of Five Thousand Dollars (\$5,000) as a Service Award in recognition of his services in connection with the Action. The Service Award will be paid from the Total Settlement Amount subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to Plaintiff's Individual Settlement Payments that he is entitled to under the Settlement.

H. Settlement Administrator Expenses to the Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Nine Thousand Seven Hundred Fifty Dollars (\$9,750.00) for the costs of the Notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, receiving and reviewing requests for exclusion, objections, and/or disputes, if any, submitted by Class Members, calculating Individual Settlement Shares and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and will be paid from the Total Settlement Amount subject to approval by the Court.

I. Conditions of Settlement

The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive money from the Settlement, you do not have to do anything. You will automatically be issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Parties for the Released Class Claims, as described in Section III.D above. As a Settlement Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement, you may seek exclusion from (or "opt out" of) the Settlement by submitting a timely, written request for exclusion from the Settlement to the Settlement Administrator at the following address:

[Settlement Administrator]
[Address]

The request for exclusion must: (a) include your name, address, telephone number, and last four digits of your Social Security number; (b) include the name and case number of the this Action (*Gilberto Rodriguez v. Cardinal Paint and Powder, Inc.*, Los Angeles County Superior Court, Case No. 20STCV14711); (c) include a clear and unequivocal statement that you wish to be excluded from the Settlement; (d) include your signature; and (e) be mailed to the Settlement Administrator at the address listed above, postmarked **no later than [Response Deadline]**.

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

You have no right to opt out of the PAGA Release. If you are a PAGA Employee, you will receive an Individual PAGA Payment, whether or not you choose to request exclusion from the remainder of the settlement.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a request for exclusion from the Settlement.

To object to the Settlement in writing, you must provide to the Settlement Administrator a written objection that includes

the following: (a) your full name, address, telephone number, last four digits of your Social Security number, and signature; (b) the name and case number of this Action (*Gilberto Rodriguez v. Cardinal Paint and Powder, Inc.*, Los Angeles County Superior Court, Case No. 20STCV14711); (c) a statement of the specific legal and factual basis for each objection argument; (d) statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number; and (e) be filed or postmarked **no later than [Response Deadline]**.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for **<<FINAL APPROVAL HEARING DATE/TIME>>** in Department **[]** of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. You have the right to appear either remotely, in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **<<RESPONSE DEADLINE>>**. All objections or other correspondence must state the name and number of the case, which *Gilberto Rodriguez v. Cardinal Paint and Powder, Inc.*, Los Angeles County Superior Court, Case No. 20STCV14711.

You have no right to object to settlement of the PAGA Claims.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 09 of the Los Angeles County Superior Court, located at 312 North Spring St, Los Angeles, CA 90012, on **[Final Approval Hearing Date]**, at **[Time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate and whether the attorneys' fees and costs to Class Counsel, Service Award to Plaintiff, and Settlement Administrator Expenses to the Settlement Administrator should be awarded.

The hearing may be continued without further notice to the Class Members. Any changes to date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website (<http://www.lacourt.org>). It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

Any Class Member who elects to appear personally at the Court for any reason related to this Action must comply with the Court's social distancing and mandatory face covering requirements, as well as other orders related to COVID-19. All such rules and orders can be located at the Court's website: www.lacourt.org.

For more information on how to appear remotely, please visit the Court's website at <http://www.lacourt.org/division/civil/CI0040.aspx> and <https://www.lacourt.org/lacc/>.

If the Court grants final approval of the Settlement, the Notice of the Court's final judgment will be posted on the Settlement Administrator's website (<http://www.lacourt.org>).

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk's office, located at 111 North Hill Street, Los Angeles, California 90012, during business hours, or by online by visiting the following website: <https://www.lacourt.org/documentimages/civilimages/publicmain.aspx>. Due to COVID-19, appointments are required for in person clerk's office services. Please visit the Court's website at http://www.lacourt.org/newsmedia/uploads/142020529162327NR_Clerks_Office_05_29_20-FINAL.pdf and <https://www.lacourt.org/> for information on how to make an appointment in the Clerk's Office. The Settlement Agreement will also be available on the Settlement Administrator's website specific to the case the address for which is [www. **[]**].

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

THE DEADLINE FOR SUBMITTING ANY DISPUTES, REQUESTS FOR EXCLUSION, OR OBJECTIONS IS <<RESPONSE DEADLINE>>. THESE DEADLINES WILL BE STRICTLY ENFORCED.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT B

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
SUPERIOR COURT OF LOS ANGELES COUNTY**

GILBERTO RODRIGUEZ, as an individual and
on behalf of all others similarly situated,

Plaintiff,

v.

CARDINAL PAINT AND POWDER, INC., a
Nevada corporation; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO. 20STCV14711

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Complaint Filed: 04/15/2020

Judge: Hon. Yvette M. Palazuelos
Dept.: 09

1 This matter has come before the Honorable Yvette M. Palazuelos in Department 09 of the
2 Superior Court of the State of California, for the County of Los Angeles, on _____ at _____
3 a.m. for Plaintiff’s Motion for Preliminary Approval of Class Action Settlement. Lidman Law, APC
4 appear as counsel for Plaintiff Gilberto Rodriguez (“Plaintiff”), individually and on behalf of all
5 others similarly situated and other aggrieved employees, and Gordon Rees Scully Mansukhani, LLP
6 appears as counsel for Defendants Cardinal Paint and Powder, Inc. and Cardinal Industrial Finishes
7 (“Defendants”).

8 The Court, having carefully considered the papers, argument of counsel, and all matters
9 presented to the Court, and good cause appearing, hereby GRANTS Plaintiff’s Motion for
10 Preliminary Approval of Class Action Settlement.

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approves the Stipulation of Settlement (“Settlement,”
13 “Agreement,” or “Settlement Agreement”), attached as “EXHIBIT 1” to the Declaration of
14 _____ in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement.
15 This is based on the Court’s determination that the Settlement falls within the range of possible
16 approval as fair, adequate, and reasonable.

17 2. This Order incorporates by reference the definitions in the Settlement Agreement,
18 and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the
19 Settlement Agreement.

20 3. It appears to the Court on a preliminary basis that the Settlement is fair, adequate
21 and reasonable.

22 4. The Court preliminarily finds that the Settlement, including the allocations for the
23 Class Counsel Award, Service Award, PAGA Payment, Settlement Administrator Expenses, and
24 payments to the Settlement Class Members provided thereby, appear to be within the range of
25 reasonableness of a settlement that could ultimately be given final approval by this Court. Indeed,
26 the Court has reviewed the monetary recovery that is being granted as part of the Settlement and
27 preliminarily finds that the monetary settlement awards made available to the Class Members are
28

1 fair, adequate, and reasonable when balanced against the probable outcome of further litigation
2 relating to certification, liability, and damages issues.

3 5. The Court concludes that, for settlement purposes only, the proposed Class meets
4 the requirements for certification under section 382 of the California Code of Civil Procedure in
5 that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
6 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
7 community of interest amongst the members of the Class with respect to the subject matter of the
8 litigation; (c) Plaintiff's claims are typical of the claims of the members of the Class; (d) Plaintiff
9 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
10 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
11 Counsel are qualified to act as counsel for Plaintiff in Plaintiff's individual capacity and as the
12 representative of the Class.

13 6. The Court conditionally certifies, for settlement purposes only, the Class, defined as
14 follows:

15 All current and former hourly-paid or non-exempt employees who worked for
16 Defendants in the state of California from April 15, 2016 through the date of
17 Preliminary Approval, or the date on which the Workweeks are equal to or do not
18 exceed 51,750, whichever comes first.

19 7. The Court provisionally appoints Paul K. Haines of Haines Law Group, APC and
20 Scott M. Lidman, Elizabeth Nguyen, Milan Moore, and Romina Tamiry of Lidman Law, APC as
21 counsel for the Class ("Class Counsel").

22 8. The Court provisionally appoints Plaintiff Gilberto Rodriguez as the representative
23 of the Class ("Class Representative").

24 9. The Court provisionally appoints Phoenix Settlement Administrators to handle the
25 administration of the Settlement ("Settlement Administrator").

26 10. Within fifteen (15) calendar days of the date of this Order, Defendants shall provide
27 the Settlement Administrator with the following information about each Class Member: full name,
28 last known address, Social Security number, number of Workweeks during the Class Period and
PAGA Period, and employment dates as a non-exempt employee during the Class Period ("Class

1 Information”) in conformity with the Settlement Agreement.

2 11. The Court approves, both as to form and content, the Notice of Class Action
3 Settlement (“Class Notice”) attached hereto as “**EXHIBIT 1.**” The Class Notice shall be provided
4 to Class Members in the manner set forth in the Settlement Agreement. The Court finds that the
5 Class Notice appears to fully and accurately inform the Class Members of all material elements of
6 the Settlement, of Class Members’ right to be excluded from the Settlement by submitting an opt
7 out request to the Settlement Administrator, of Class Members’ right to dispute the Workweeks
8 credited to each of them, and of each Settlement Class Member’s right and opportunity to object to
9 the Settlement. The Court further finds that distribution of the Class Notice substantially in the
10 manner and form set forth in the Settlement Agreement and this Order, and that all other dates set
11 forth in the Settlement Agreement and this Order, meet the requirements of due process and shall
12 constitute the best notice practicable under the circumstances and sufficient notice to all persons
13 entitled thereto. The Court further orders the Settlement Administrator to mail the Class Notice by
14 first class U.S. Mail to all Class Members within thirty (30) calendar days of this Order, pursuant to
15 the terms set forth in the Settlement Agreement. The Class Notice shall provide at least 45 calendar
16 days’ notice for Class Members to opt out of, or object to, the Settlement.

17 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
18 Settlement Agreement, for seeking exclusion from the Settlement. Any Class Member may choose
19 to be excluded from the Settlement by submitting a timely written request for exclusion to the
20 Settlement in conformity with the requirements set forth in the Class Notice.

21 13. A Final Approval Hearing shall be held before this Court on
22 _____ at _____ a.m./p.m. in
23 Department 09 of the Los Angeles County Superior Court, located at 312 North Spring St, Los
24 Angeles, CA 90012, to determine all necessary matters concerning the Settlement, including:
25 whether the proposed settlement of the Action on the terms and conditions provided for in the
26 Settlement is fair, adequate, and reasonable and should be finally approved by the Court; whether a
27 judgment, as provided in the Settlement, should be entered herein; whether the plan of allocation
28 contained in the Settlement should be approved as fair, adequate, and reasonable to the Class

1 Members; and determine whether to finally approve the requests for the Class Counsel Award,
2 Service Award, Settlement Administrator Expenses, and payment to the Labor and Workforce
3 Development Agency (“LWDA”) for penalties under the Labor Code Private Attorneys General Act
4 (“PAGA”) should be granted.

5 14. Class Counsel shall file a motion for final approval of the Settlement and for Class
6 Counsel Award, Service Award, and Settlement Administrator Expenses, along with the appropriate
7 declarations and supporting evidence, including the Settlement Administrator’s declaration sixteen
8 (16) court days prior to the Final Approval Hearing.

9 15. Except as required to implement the Settlement, all proceedings and all litigation of
10 the Action are stayed pending the Final Approval Hearing.

11 16. The Settlement is not a concession or admission and shall not be used against
12 Defendants as an admission or indication with respect to any claim of any fault or omission by
13 Defendants. Whether or not the Settlement is finally approved, neither the Settlement, nor any
14 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
15 thereof, shall in any event be construed as, offered or admitted into evidence as, received as or
16 deemed to be in evidence for any purpose adverse to the Defendants, including, but not limited to,
17 evidence of a presumption, concession, indication or admission by Defendants of any liability, fault,
18 wrongdoing, omission, concession, or damage, except for legal proceedings concerning the
19 implementation, interpretation, or enforcement of the Settlement.

20 17. In the event the Settlement does not become effective in accordance with the terms
21 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled
22 or fails to become effective for any reason, this Order shall be rendered null and void, shall be
23 vacated, and the Parties shall revert back to their respective positions as of before entering into the
24 Settlement Agreement.

25 18. The Court reserves the right to adjourn or continue the date of the Final Approval
26 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
27 Members, and retains jurisdiction to consider all further applications arising out of or connected with
28 the Settlement.

1 19. An implementation schedule is below:

Event	Date	Actual Date
Defendants to provide Class Information to Settlement Administrator	15 calendar days after issuance of the preliminary approval order	
Settlement Administrator to mail Class Notice to Class Members	30 calendar days after issuance of the preliminary approval order	
Deadline for Class Members to request exclusion from, submit disputes, or object to, the Settlement	45 calendar days after mailing of the Notice by the Settlement Administrator	
Deadline for Plaintiff to file Motion for Final Approval of Class Action Settlement:	16 Court days prior to Final Approval Hearing	
Final Approval Hearing:		

11
12
13 **IT IS SO ORDERED.**

14
15 Dated: _____

By:

The Honorable Yvette M. Palazuelos
Judge of the Superior Court