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10	DEMOLITION SPECIALIST, INC.,	
16	JEREMY THUNDERBURK, and CHRISTINA	THUNDERBURK
17		
1,	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
18	FOR THE COUNT	W OF DWEDGINE
19	FOR THE COUNT	Y OF RIVERSIDE
19		CACE NO. DICOM1122
20	JUAN ARTEAGA and ELIJAH AGUIRRE,	CASE NO.: RIC2001133
	on behalf of themselves and all others	CL ACC ACTION
21	similarly situated,	<u>CLASS ACTION</u>
22		THIRD AMENDED JOINT
	Plaintiffs,	STIPULATION RE: CLASS ACTION
23	1 idilizatio,	AND REPRESENTATIVE ACTION
24	V.	SETTLEMENT
24		Action Filed: March 12, 2020
25	DEMOLITION SPECIALIST, INC., a	Trial Date: None Set
-	California corporation; JEREMY	
26	THUNDERBURK, an individual;	
27	CHRISTINA THUNDERBURK, an	
27	individual; and DOES 1 through 100,	
28	inclusive,	

Defendants.

This Third Amended Joint Stipulation re: Class Action and Representative Action Settlement ("Settlement" or "Agreement" or "Settlement Agreement") is made by and between plaintiffs Juan Arteaga ("Plaintiff Arteaga") and Elijah Aguirre ("Plaintiff Aguirre," and with Plaintiff Arteaga, "Plaintiffs") on behalf of themselves and the Settlement Class, on the one hand; and defendant Demolition Specialist, Inc. ("Demolition Specialist" or "Defendant"), on the other hand, in the lawsuit entitled *Arteaga*, et al. v. Demolition Specialist, Inc., et al. filed in Riverside County Superior Court, Case No. RIC2001133 (the "Action"). Plaintiffs and Defendant shall be, at times, collectively referred to as the "Parties". This Agreement is intended by the Parties to fully, finally, and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement. This Settlement shall be binding on Plaintiffs and the class they purport to represent, Defendant, and on their respective counsel, subject to the terms and conditions hereof and the approval of the Court.

1. **DEFINITIONS**

- **A.** "Action" means Arteaga, et al. v. Demolition Specialist, Inc. et al., filed in Riverside County Superior Court Case No. RIC2001133.
- **B.** "Agreement" shall refer to this document, entitled "Third Amended Joint Stipulation Re: Class Action and Representative Action Settlement", including all exhibits attached hereto
- C. "Class Counsel" means David D. Bibiyan and Jeffrey D. Klein of Bibiyan Law Group, P.C. The term "Class Counsel" shall be used synonymously with the term "Plaintiffs' Counsel."
- **D.** "Class Member" means all current and former non-exempt, hourly-paid employees who worked in the State of California for Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, at any time during the Settlement Period.

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- "Class Released Claims" means, any and all claims that were asserted in the Ε. Operative Complaint filed in the Action or any and all claims that could have been asserted against the Released Parties in the Action based solely upon the facts alleged in the Operative Complaint filed in the Action, which includes: For the duration of the Settlement Period, for Participating Class Members, including Plaintiffs: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal periods or premium compensation in lieu thereof; (d) all claims for failure to provide compliant rest periods or premium compensation in lieu thereof; (e) all claims for the failure to timely pay wages upon termination or resignation; (f) all claims for failure to provide accurate wage statements; (g) all claims for failure to reimburse employees for business expenses; (h) all claims for failure to pay prevailing wages; (i) all claims asserted through California Business & Professions Code section 17200, et seq. arising out of the Labor Code violations referenced in the with the exception of any allegations for civil penalties under PAGA; (j) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint, with the exception of any allegations for civil penalties under PAGA; and (k) all applicable damages, penalties, interest, and other amounts recoverable under said causes of action or legal theories of relief under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable portions of the applicable Wage Orders, and the California Business and Professions Code section 17200, et seq., with the exception of any allegations for civil penalties under PAGA.
- **F.** "Court" refers to the Superior Court of the State of California for the County of Riverside, before whom the Action is pending.
- G. "Final Approval Date" means the later of: (1) the date the Court signs an Order granting final approval of this Settlement ("Final Approval") and Judgment; (2) in the event that written objections are filed prior to the Final Settlement Approval Hearing which are not later withdrawn, upon the later of: (a) the date of final affirmance of an appeal of the Judgment; and, if review is granted, the date of the final affirmance of the Judgment following review; (b) the

date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the judgment; or (c) if no appeal is filed, the expiration date for filing any appeal from the Judgment. .

- H. "Defendant" means Demolition Specialist, Inc.
- I. "Defendant's Counsel" shall refer to Ogletree, Deakins, Nash, Smoak & Stewart, P.C., and its attorneys.
- **J.** "**Employer Taxes**" means the employer's share of payroll taxes, as calculated by the Settlement Administrator, as described in Paragraph 14 below.
- **K.** "General Release" means the broader release of claims by Plaintiffs as described in Paragraph 7(B) below, which is in addition to Plaintiffs' limited release of claims as a Participating Class Member.
- L. "Gross Settlement Amount" means a non-reversionary fund in the sum of Four Hundred Sixty-Eight Thousand Six Hundred Dollars and Zero Cents (\$468,600.00). This is the maximum possible amount that may be paid by Defendant to resolve the action, subject to the limited exceptions of: (a) Defendant's responsibility for Employer Taxes; and (b) the additional amount to be paid, if any, due to a possible increase of the Gross Settlement Amount as described in Paragraph 17.
- M. "Individual PAGA Payment" means a payment made to a PAGA Class Member for his or her share of the PAGA Payment, which may be in addition to his or her Individual Settlement Share if he or she is also a Participating Class Member.
- N. "Individual Settlement Payment" means a payment to a Participating Class Member of his or her net share of the Net Settlement Amount.
- O. "Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Settlement Class Member is eligible to receive based on the number of Workweeks that he or she was employed for Defendant as a Settlement Class Member during the Settlement Period if he or she does not submit a timely and valid Request for Exclusion.
 - P. "LWDA Payment" means the payment to the State of California Labor and

Workforce Development Agency ("LWDA") for its seventy-five percent (75%) share of the total amount allocated toward penalties under the PAGA all of which is to be paid from the Gross Settlement Amount. The Parties have agreed that Twenty Thousand Dollars and Zero cents (\$20,000.00) shall be allocated toward PAGA penalties, of which Fifteen Thousand Dollars and Zero Cents (\$15,000.00) will be paid to the LWDA (*i.e.*, the LWDA Payment) and Five Thousand Dollars and Zero Cents (\$5,000.00) will be paid to PAGA Class Members on a *pro rata* basis based on the Workweeks employed by Defendant as a non-exempt, hourly-paid employee in California in the PAGA Period (*i.e.* the PAGA Payment).

- Q. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to the Participating Class Members after deductions for the Courtapproved allocations for Settlement Administration Costs, Service Awards to Plaintiffs, an award of attorneys' fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA Payment, and the PAGA Payment.
- R. "Notice" shall mean the Notice of Class Action Settlement, attached hereto as Exhibit A.
- S. "Operative Complaint" or "Complaint" means the First Amended Complaint that was filed with the Court on October 29, 2020.
- T. "PAGA Class Members" means Class Members working for Defendant during the PAGA Period in California as non-exempt, hourly-paid employees.
- U. "PAGA Payment" is the Five Thousand Dollars and Zero Cents (\$5,000.00) that will be paid to PAGA Class Members on a *pro rata* basis based on the Workweeks employed by Defendant as non-exempt, hourly-paid employees in California in the PAGA Period, which would be in addition to their Individual Settlement Share if they are Participating Class Members, as well.
- V. "PAGA Period" means the period from February 18 2019 through January 31,2022.

- W. "PAGA Released Claims" means, for the duration of the PAGA Period, all claims, causes of action and/or legal theories for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1174, 1175, 1194, 1197, 1198 and 2810.5.
- X. "Participating Class Members" means all Settlement Class Members who do not submit a timely and valid Request for Exclusion.
- Y. "Participating Individual Settlement Share" means the gross amount of the Net Settlement Amount that a Participating Class Member is eligible to receive based on the number of Workweeks that he or she was employed by Defendant as a Settlement Class Member during the Settlement Period once all opt-outs have been factored in. The Participating Individual Settlement Share excludes any Individual PAGA Payment to which he or she may be entitled if he or she is also an PAGA Class Member.
- **Z.** "Parties" refer to Plaintiff Arteaga and Plaintiff Aguirre on behalf of the Class, and Defendant.
- AA. "Plaintiffs", "Named Plaintiffs" or "Class Representatives" shall refer collectively to Plaintiff Arteaga and Plaintiff Aguirre.
- **BB.** "Preliminary Approval Date" means the date on which the Court enters the Preliminary Approval Order.
- **CC.** "Released Parties" shall mean Defendant Demolition Specialist, Inc., Defendant Jeremy Thunderburk, Defendant Christina Thunderburk, and their officers, directors, employees, and agents.
- **DD.** "Response Deadline" means forty-five (45) days after the Notices are mailed to Class Members by the Settlement Administrator, unless a Class Member's notice is re-mailed. In such an instance, the Response Deadline shall be fifteen (15) calendar days from the remailing, or forty-five (45) calendar days from the date of the initial mailing, whichever is later.
- **EE.** "Request for Exclusion" means a written request to be excluded from the Settlement Class pursuant to Paragraph 9(C) below.

FF. "Service Awards" means the monetary amounts to be paid to Plaintiff Arteaga and Plaintiff Aguirre of up to Seven Thousand, Five Hundred Dollars and Zero Cents (\$7,500.00) each, for a total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to Plaintiffs, subject to Court approval. The Service Awards shall be paid out of the Gross Settlement Amount.

- GG. "Settlement Administration Costs" means all actual costs and fees incurred by the Settlement Administrator, including related accounting costs, in administration of the Settlement. The Settlement Administration Costs are estimated not to exceed \$8,500.00 If the actual amount of the Settlement Administration Costs is less than \$8,500.00, the difference between \$8,500.00 and the actual Settlement Administration Costs will be credited to the Gross Settlement Amount prior to distribution of the Net Settlement Amount to Participating Class Members.
- **HH.** "Settlement Administrator" means the Third-Party Administrator mutually agreed upon by the Parties and approved by the Court for the purposes of administering this Settlement.
- II. "Settlement Class" or "Settlement Class Members" mean all Class Members who do not submit a valid Request for Exclusion. Settlement Class Members will release all of the Released Claims and be bound by the terms of the Settlement and any final judgment entered in this Action.
- **JJ.** "Settlement Period" or "Class Period" means the period from March 12, 2016, through August 23, 2022.
- **KK.** "Workweeks" means the number of workweeks in which Class Members were employed by the Defendant in a non-exempt, hourly-paid position in California during the Settlement Period in California, based on hire dates, re-hire dates, and termination dates.

2. BACKGROUND

A. <u>Brief Procedural History.</u>

(1) On February 18, 2020, Plaintiffs Arteaga filed with the California Department of Industrial Relations – Labor and Workforce Development Agency ("LWDA") a

notice under Labor Code section 2699.3 stating he intended to seek civil penalties pursuant to the Private Attorneys General Act of 2004 for alleged Labor Code violations on behalf of PAGA Class Members ("PAGA Notice").

- (2) On March 12, 2020, Plaintiffs filed a putative wage-and-hour class action alleging that Defendant, Jeremy Thunderburk, and Christina Thunderburk allegedly: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay wages owed upon separation from employment; (6) failed to provide accurate wage statements; (7) failed to reimburse employees for business expenses incurred in furtherance of work; and (8) engaged in unfair competition.
- On October 29, 2020, Plaintiffs filed a First Amended Complaint in the Action adding the following six causes of action: (1) failure to pay prevailing wages; (2) penalties under Labor Code § 210; (3) penalties under Labor Code § 226.2; (4) violation of Labor Code § 558; (5) violation of Labor Code § 1197.1, and (6) request for civil penalties pursuant to the PAGA, Labor Code §§ 2698 et seq.
- **B.** Mediation and Settlement Agreement Reached by the Parties: On January 31, 2022, the Parties participated in a full-day mediation before Marc Feder, Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters. The Parties agreed to resolve the Action in principle on a class-wide basis through mutual acceptance of the mediator's proposal.
- C. <u>Investigation</u>: The Parties have conducted a detailed and comprehensive investigation of the law and facts relating to the claims asserted in the Action and the PAGA Notice. The Parties have exchanged both formal and informal discovery, which included: (1) a sampling of time and payroll data for Class Members; (2) data including rates of pay, hours worked, job classes, locations, and pay periods worked by Class Members during the Settlement Period, the number of PAGA Class Members, hours worked, and pay periods in the PAGA Period, the number of Class Members eligible for waiting time penalties, the number of Class

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Members eligible for wage statement violations, and the number of pay periods in the PAGA Period for calculating wage statement violations; and (3) all employment policies pertaining to the claims at issue in Defendant's possession, control, or custody.

D. Benefits of Settlement: Based on their discovery and investigation, Class Counsel has concluded that that the Settlement set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Action through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiffs' allegations, and the substantial benefits to be received by Settlement Class Members. Class Counsel has determined that the settlement is well within the range of reasonableness. The settlement embodied and documented in this Agreement is the product of extensive, arms-length negotiations, and is not the product of collusion. Likewise, Defendant has concluded that any further defense of the Action would be protracted and expensive. Substantial amounts of time, energy, and resources have been, and will continue to be, devoted to the defense of the Action unless this settlement is made. Therefore, Defendant has agreed to settle, in the manner and upon the terms set forth in this Agreement, in order to fully and finally resolve the claims asserted in the Action.

E. This Agreement is intended to and does effectuate the full, final, and complete resolution of all Class Released Claims of Plaintiffs and Participating Class Members, and all PAGA Released Claims of Plaintiffs and, to the extent permitted by law, of the State of California and PAGA Class Members.

3. <u>JURISDICTION</u>

The Court has jurisdiction over the Parties and the subject matter of the Action. The Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final Approval of the Settlement and entered judgment, the Court shall retain jurisdiction with respect to the interpretation, implementing, and

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enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, pursuant to California Rule of Court, rule 3.769, subdivision (h).

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

The Parties stipulate to the certification of the Settlement Class under this Agreement for purposes of settlement only. If, for any reason, the Agreement is not approved, stipulation to certification will be void. The Parties further agree that certification for purposes of the settlement is not an admission that class certification is proper under the standard applied to contested certification motions and that this Agreement will not be admissible in this or any other proceeding as evidence that (i) a class should or should not be certified or (ii) Defendant is or is not liable to the Class Representatives or the putative Class Members.

5. MOTIONS FOR APPROVAL OF SETTLEMENT

After full execution of this Agreement, Plaintiffs will timely prepare, subject to Defendant's review and right to comment, a motion for an order granting approval of the Settlement in conformance with the terms of this Agreement, including (1) a motion for preliminary approval approving and directing the mailing of the Class Notice conditionally certifying the Settlement Class for settlement purposes only, and approving the deadlines proposed by the Parties for the submission of Requests for Exclusion, Workweek Disputes, and Objections (2) a motion for award of attorneys' fees and costs; (3) a motion for final approval of the settlement; (4) the [Proposed] Final Settlement Order; and (5) any other documents, petitions, or motions required to effectuate this Agreement, including but not limited to, any additional proposed orders requested by the Court. Class Counsel will endeavor to submit the aboveenumerated papers no later than three (3) court days prior to any deadline to file said papers. In the event that Class Counsel and Defendant's Counsel cannot resolve any dispute regarding the papers arising from Defendant's right to review and comment, Defendant's Counsel shall submit its objections to the papers to the Court before or during the Final Settlement Approval Hearing. The Parties may both respond to any Objections lodged to final approval of the Settlement up to five (5) court days before the Final Approval Hearing.

6. STATEMENT OF NO ADMISSION

Defendant has denied and continues to deny each of the claims asserted by Plaintiffs in the Action and Plaintiffs' PAGA Notices. Defendant contends, among other things, that it complied at all times with the California Labor Code and applicable California Wage Orders, that it paid all wages owed to Plaintiffs and Class Members, and that any claim for wage payments or penalties owed is not actionable and/or does not give rise to any liability under the California Labor Code. Defendant further contends that it complied at all times with the provisions of the California Business & Professions Code § 17200 et seq. Neither this Agreement nor any action taken to carry out the Agreement may be construed as an admission by Defendant of any fault, wrongdoing, or liability whatsoever

7. RELEASE OF CLAIMS

A. Release by All Participating Class Members; Release of PAGA Claims by PAGA Class Members.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating Class Members release, for the duration of the Settlement Period, any and all claims that were asserted in the Operative Complaint filed in the Action or any and all claims that could have been asserted against the Released Parties in the Action based solely upon the facts alleged in the Operative Complaint filed in the Action, which includes:

For the duration of the Settlement Period, for Participating Class Members, including Plaintiffs: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal periods or premium compensation in lieu thereof; (d) all claims for failure to provide compliant rest periods or premium compensation in lieu thereof; (e) all claims for the failure to timely pay wages upon termination or resignation; (f) all claims for failure to provide accurate wage statements; (g) all claims for failure to reimburse employees for business expenses; (h) all claims for failure to pay

prevailing wages; (i) all claims asserted through California Business & Professions Code section 17200, et seq. arising out of the Labor Code violations referenced in the with the exception of any allegations for civil penalties under PAGA; (j) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint, with the exception of any allegations for civil penalties under PAGA; and (k) all applicable damages, penalties, interest, and other amounts recoverable under said causes of action or legal theories of relief under California and federal law, to the extent permissible, including but not limited to the California Labor Code, the applicable portions of the applicable Wage Orders, and the California Business and Professions Code section 17200, et seq., with the exception of any allegations for civil penalties under PAGA (the "Class Released Claims").

For PAGA Class Members (and, to the extent permitted by law, the State of California), the release includes for the duration of the PAGA Period, all claims, causes of action and/or legal theories that were asserted or reasonably could have been asserted in the PAGA Notices and Operative Complaint based on the facts alleged therein for PAGA civil penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1174, 1175, 1194, 1197, 1198 and 2810.5 (the "PAGA Released Claims").

The Class Released Claims include all claims for damages as alleged in the Operative Complaint for the duration of the Settlement Period. The release expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and any other claims outside of the Class Released Claims of Participating Class Members arising during the Settlement Period and the PAGA Released Claims of PAGA Class Members (and, to the extent permitted by law, the State of California) arising outside of the PAGA Period. The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims". The res judicata effect of the Judgment will be the same as that of the Release. Should the Court modify the scope of the released during the approval process, the Parties agreed to cooperate to re-formulate the released

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8. SETTLEMENT ADMINISTRATION

to the approval of the Court. B. General Release.

claims in a manner that is consistent with the Parties' Memorandum of Understanding and subject

In addition to the releases set forth in the above Paragraph 7(A), effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement Administrator selected of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, in addition to the Released Claims, Plaintiffs make the additional following General Release: Plaintiffs release the Released Parties from all claims, actions, suits, damages, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or regulation arising out of, relating to, or in connection with any act or omission of the Released Parties through the date of full execution of this Agreement in connection with Plaintiffs' employment with Defendant or the termination thereof,. Plaintiffs hereby acknowledge that, upon receiving the sums provided pursuant to this Agreement, they will have received all potential wages, damages, and penalties owing to him or her by the Released Parties, and, further, that they are not owed any additional wages, penalties, or damages from the Released Parties. To the extent of the General Release provided herein, Plaintiffs stipulate and agree that, upon entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment by Defendant to the Settlement Administrator selected of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiffs shall have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the

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

California Civil Code, or any other similar provision under federal or state law, which provides:

A. Plaintiffs and Defendant, through their respective counsel, have selected Phoenix Settlement Administrators to administer the Settlement. The Settlement Administrator shall be responsible for: (a) processing the data provided by Defendant to be used in calculating Individual Settlement Awards; (b) preparing, printing and mailing to Class Members the Notice (attached hereto as Exhibit A), which includes but is not limited to translating the Class Notice to Spanish; (c) notifying the Parties of the identity of Class Members who submit timely Requests for Exclusion, (d) distributing and responding to inquiries about the Class Notice; (e)calculating all amounts to be paid from the Gross Settlement Amount; (f) calculating and mailing Individual Settlement Shares to Class Members; (g) filing any required reports with the Court; and (h) any and all such other tasks as to which the Parties mutually agree, or which the Court orders the Settlement Administrator to perform.

9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION PROCESS

A. Notice to the Class Members

(1) Within thirty (30) calendar days after the Preliminary Approval Date, Defendant's Counsel shall provide the Settlement Administrator with information with respect to each Settlement Class Member, including his or her: (1) name; (2) last known address; (3) last known telephone number(s); (4) last known Social Security Number(s); and (5) the dates of employment (*i.e.*, hire dates, and, if applicable, re-hire date(s) and/or separation date(s)) for each Class Member ("Class List")., which shall be made available to Class Counsel upon request. Class Counsel agrees to keep the Class Member Information confidential and that Class Counsel will not use the Class member Information for any purpose other than to effectuate the Settlement. The Class Member information is confidential and not to be disclosed to anyone other than the Settlement Administrator, with the sole and potential exception of Class Counsel should it be requested. The Settlement Administrator shall perform an address search using the United States Postal Service National Change of Address ("NCOA") database and update the addresses contained on the Class List with the newly-found addresses, if any. Within seven (7) calendar

days of receiving the Class List from Defendant, the Settlement Administrator shall mail the Class Notice in English and Spanish to the Settlement Class Members via first-class regular U.S. Mail using the most current mailing address information available. The Settlement Administrator shall maintain the Class List and digital copies of all the Settlement Administrator's records evidencing the giving of notice to any Settlement Class Member, for at least four (4) years from the Final Approval Date.

- (2) If a Class Notice from the initial notice mailing is returned as undeliverable, the Settlement Administrator will attempt to obtain a current address for the Settlement Class Member to whom the returned Class Notice had been mailed, within five (5) calendar days of receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in obtaining a new address, it will promptly re-mail the Class Notice to the Settlement Class Member. Further, any Class Notices that are returned to the Settlement Administrator with a forwarding address before the Response Deadline shall be promptly remailed to the forwarding address affixed thereto.
- (3) No later than seven (7) calendar days from the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the completion of the notice process, including the number of attempts to obtain valid mailing addresses for and re-sending of any returned Class Notices, as well as the identities, number of, and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

B. Objections.

Any Settlement Class Member may object to the Settlement by mailing a written objection to the Settlement Administrator at the address provided on the Class Notice no later than the Response Deadline. The date of mailing of the Class Notice to the objecting Class Member shall be conclusively determined according to the records of the Settlement Administrator. The Objection should set forth in writing: (1) the Objector's name; (2) the

Members who have requested an exclusion from the Settlement as detailed in Paragraph 9(A), herein do not have standing to object to the Settlement or to file an appeal for purposes of Paragraph 9(B).

C. Requesting Exclusion.

Any Class Member may request exclusion from (i.e., "opt out" of) the Settlement by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request for Exclusion must include: (1) the Class Member's name; (2) the Class Member's Social Security Number; (3) the Class Member's signature; and (4) the following statement: "Please exclude me from the Settlement Class in the Arteaga, et al. v. Demolition Specialist, Inc. matter" or a statement of similar meaning. The Settlement Administrator shall immediately provide copies of all Requests for Exclusion to Class Counsel and Defendant's Counsel and shall

report the Requests for Exclusions that it receives, to the Court, in its declaration to be provided

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and will not be bound by the Settlement Agreement or have any right to object to, appeal, or comment on the Settlement, except that if he or she is a PAGA Class Member, he or she will still be bound by the PAGA Release and will receive his or her proportionate share of the portion of the PAGA payment that is allocated to PAGA Class Members. Any Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement is granted. A Class Member cannot submit both a Request for Exclusion and an objection. If a Class Member submits an Objection and a Request for Exclusion, the Request for Exclusion will control and the Objection will be overruled.

D. Disputes Regarding Settlement Class Members' Workweek Data.

Each Class Member may dispute the number of Workweeks attributed to him or her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to the Settlement Administrator by the Settlement Class Member, postmarked on or before the Response Deadline. If a Class Member disputes the qualifying workweeks, the information Defendant provided shall control unless the Class Member provides documents by the Document Receipt Deadline that establish otherwise. The Settlement Administrator will make a determination after reviewing the documents, which will be final and binding, subject to oversight by the Court. The Settlement Administrator shall immediately provide copies of all disputes to Class Counsel and counsel for Defendant. .

10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA PAYMENTS

Individual Settlement Payments will be calculated and distributed to Participating Class Members from the Net Settlement Amount on a pro rata basis, based on the Participating Class

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Amount.

The net amount of the Participating Individual Settlement Share is to be paid out

to Participating Class Members by way of check and is referred to as "Individual Settlement Payment(s)".

- C. To determine each Aggrieved Employee's Individual PAGA Payment, the Settlement Administrator will use the following formula: Aggrieved Employee's Individual PAGA Payment = (Aggrieved Employee's Workweeks ÷ PAGA Workweeks) x \$5,000.00 (the PAGA Payment).
- **D.** Individual Settlement Payments and Individual PAGA Payments shall be paid to Participating Class Members and/or PAGA Class Members by way of check. When a Participating Class Member is also a PAGA Class Member, one check may be issued that aggregates both the Individual Settlement Payment and the Individual PAGA Payment

11. <u>DISTRIBUTION OF PAYMENTS</u>

A. Distribution of Individual Settlement Payments.

Participating Class Members will receive an Individual Settlement Payment and Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement Payment and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Thereafter, uncashed checks for such payments shall be transmitted to the California Controller's Office, Unclaimed Property Fund, thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384.

B. Funding of Settlement.

Defendant shall, within twenty-one (21) calendar days of Final Approval Date, make payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this Agreement) and Employer Taxes (which shall be determined by the Settlement Administrator), to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured banking institution, for distribution in accordance with this Agreement and the Court's Orders and subject to the conditions described herein.

C. Time for Distribution.

Within seven (7) calendar days after payment of the full Gross Settlement Amount and Employer Taxes by Defendant, or as soon thereafter as practicable, the Settlement Administrator shall distribute Payments from the Gross Settlement Amount for: (1) the Service Awards to Plaintiffs as specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administrator Costs, as specified in this Agreement and approved the Court; (4) the LWDA Payment, as specified in this Agreement and approved by the Court; and (5) Individual PAGA Payments as specified in this Agreement and approved by the Court. The balance remaining shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made to Participating Class Members, less applicable taxes and withholdings. All interest accrued shall be for the benefit of the Class Members and distributed on a *pro rata* basis to Participating Class Members based on the number of Workweeks in which they were employed by Defendant during in the Settlement Period.

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

Class Counsel may apply for, and Defendant shall not oppose, an award of attorneys' fees of up to 35% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 17 of this Agreement, amounts to One Hundred Sixty-Four Thousand, Ten Dollars and Zero Cents (\$164,010.00). Class Counsel shall further apply for, and Defendant shall not oppose, an application or motion by Class Counsel for reimbursement of actual costs associated with Class Counsel's prosecution of this matter as set forth by declaration testimony in an amount up to Twenty Thousand Dollars and Zero Cents (\$20,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle, and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated herein includes, without limitation, all time and expenses expended by Class Counsel (including any appeals therein). Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for

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herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount. Even in the event that the Court reduces or does not approve the award of attorneys' fees discussed in this paragraph, Plaintiffs and Class Counsel shall not have the right to revoke this Agreement.

13. SERVICE AWARDS TO PLAINTIFFS

Named Plaintiffs shall seek, and Defendant shall not oppose, Service Awards in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each to Plaintiff Arteaga and Plaintiff Aguirre, for a total of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to Plaintiffs for participation in and assistance with the Class Action. Any Service Award awarded to Plaintiffs shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If the Court approves the Service Award to Plaintiffs in less than the amounts sought herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount. Even in the event that the Court reduces or does not approve the enhancement awards discussed in this paragraph, Plaintiffs and Class Counsel shall not have the right to revoke this Agreement.

14. TAXATION AND ALLOCATION

a. The Settlement Administrator shall be responsible for calculating the portion of each Individual Settlement Payments to be allocated as wages. Each Individual Settlement Share shall be allocated as follows: One-third (33.334%) as wages (to be reported on an IRS Form W2); and two-thirds (66.666%) as interest and penalties (to be reported on an IRS Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Settlement Administrator shall be responsible for paying the employees' share of federal, state, and local payroll and income taxes. Appropriate withholdings of the employee's share of income taxes shall be deducted from each Individual Settlement Payment. The amount of federal income tax withholding will be based upon a flat withholding rate for supplemental wage payments in accordance with Treasury Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also be made pursuant to applicable state and/or local withholding codes or regulations.

- b. Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendant into compliance with any such changes.
- c. All Employer Taxes shall be paid by Defendant separate, apart, and in addition to the Gross Settlement Amount. Defendant shall remain liable to pay the employer's share of payroll taxes as described above. Defendant will not be responsible to pay the employer's share of payroll taxes for any uncashed checks after the 180 calendar day check cashing deadline.
- d. The Settlement Administrator shall file, with the California Employment Development Department ("EDD"), the required reports of Personal Income Tax ("PIT") wages withheld from the Individual Settlement Payments, as well as the amounts to be paid as Unemployment Insurance ("UI"), Employment Training Tax ("ETT"), and State Disability Insurance ("SDI"). For purposes of this reporting, prior to disbursement of the Individual Settlement Payments, the Settlement Administrator shall provide Defendant with a list of all Class Members, and Defendant shall provide to the Settlement Administrator with its Form DE 2088, Notice of Contribution Rates and Statement of UI Account, for the current calendar year (if unavailable, Defendant may provide instead their California State Employer's Identification Number and applicable UI and ETT Rates).
- e. Neither Counsel for Plaintiffs nor Defendant intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise. All Class Members and the Plaintiffs will be responsible for correctly characterizing the compensation they receive for tax purposes and for paying any taxes on the amounts received, except for the employer contributions, which will be handled as provided by this Agreement. Defendant is not liable for any amounts assessed by a

tax authority on account of the Class Members' or the Plaintiffs' failures to pay all taxes due on amounts they receive hereunder, except if the failure results from Defendant's failure to pay its own portion of taxes due. The liability of each Class Member and the Plaintiffs is limited to the liability caused by that individual's own failure

15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION

The Parties agree to allocate Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$15,000.00) will be paid to the LWDA and twenty-five percent (25%) (\$5,000.00) will be distributed to PAGA Class Members on a *pro rata* basis based upon their respective Workweeks that PAGA Class Members were employed by Defendant during the PAGA Period.

16. **COURT APPROVAL**

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

17. INCREASE IN WORKWEEKS

Defendant estimates that there are approximately 8,302 workweeks worked during the period of March 12, 2016 and January 12, 2022. In the event the number of Workweeks worked by Class Members during the Settlement Period exceeds 8,642 Workweeks, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 8,642 Workweeks multiplied by the Workweek Value. The Parties stipulate and agree that in the event the aggregate Workweeks worked by Class Members during the Settlement Period exceeds 8,642

Workweeks, the Workweek Value for Workweeks in excess of 8,642 will be \$60.00 per Workweek. Thus, for example, should there be 8,700 Workweeks in the Settlement Period, then the Gross Settlement Amount shall be increased by \$3,480.00. ((8,700 Workweeks – 8,642 Workweeks) x \$60.00/Workweek.)

18. <u>NOTICE OF JUDGMENT</u>

In addition to any duties set out herein, the Settlement Administrator shall provide notice of the Final Judgment entered in the Action by posting the same on its website for a period of no less than four (4) years.

19. <u>TERMINATION PROVISION</u>

Defendant reserves the right to revoke this Agreement and the settlement provided for herein prior to the Final Settlement Approval Hearing in the event that eight percent (8%) or more Class Members opt out of the Settlement by submitting timely and valid Requests for Exclusion in the manner set forth in Paragraph 9(A) above, in which case this Agreement will not have any force and/or effect. Class Counsel and Plaintiffs agree not to oppose any application by Defendant and/or their Counsel that is consistent with this paragraph. Defendant shall make its election within seven (7) calendar days of receipt from the Settlement Administrator of the total percentage of opt-outs. If the Settlement is voided, no payment will be made by Defendant to Plaintiffs, any Class Member, or Class Counsel; and all Parties and third parties referenced in this Agreement will bear their own costs, fees, and expenses associated with the Litigation. However, Defendant will be responsible for the costs incurred by the Settlement Administrator.

20. <u>MISCELLANEOUS PROVISIONS</u>

A. Interpretation of the Agreement.

This Agreement and its exhibits constitute the entire agreement between the Parties with respect to its subject matter. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its

terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of law provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Court, and Plaintiffs and Defendant hereby consent to the personal jurisdiction of the Court in the Action over it solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties, and each of them, participated in the negotiation and drafting of this Agreement and had available to them the advice and assistance of independent counsel. As such, neither Plaintiffs nor Defendant may claim that any ambiguity in this Agreement should be construed against the other. The Agreement may be modified only by a writing signed by counsel for the Parties and approved by the Court.

B. Further Cooperation.

The Parties and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they will not take any action inconsistent with this Agreement, including, without limitation, encouraging Class Members to opt out of the Settlement. In the event the Court finds that any Party has taken actions inconsistent with the Settlement, including, without limitation, encouraging Class Members to opt out of the Settlement, the Court may take any corrective actions, including enjoining any Party from communicating regarding the Settlement on an *ex parte* basis, issuing corrective notice(s), awarding monetary sanctions against that Party, and/or enforcing this Agreement despite the presence of opt-outs and/or objections.

C. Amendment of the Agreement to Conform to the Court's Order. To the extent the Court does not approve this Agreement, or any term contained herein, and instead allows the Parties to amend this Agreement, the Parties agree to cooperate in good faith to amend the Agreement in accordance with the Court's direction, and to retain all other terms of the Agreement that the Court approves

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D. Counterparts.

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

E. Authority.

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

F. No Third-Party Beneficiaries.

Plaintiffs, Participating Class Members, PAGA Class Members, the State of California, Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there are no third-party beneficiaries.

G. Deadlines Falling on Weekends or Holidays.

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

H. Severability.

In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. **Enforcement of Actions**. In the event that any of the Parties to this Agreement institutes any legal action, arbitration, or other proceeding against any of the other Parties to enforce the provisions of this Agreement or to declare rights or obligations under this Agreement, the successful Party shall be entitled to recover from the unsuccessful Party or Parties, reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with any such enforcement proceedings.

a. General. Plaintiffs and Class Counsel shall agree not to disclose or publicize this Agreement, its terms or contents, and the negotiations underlying the Agreement, in any manner or form, directly or indirectly, to any person or entity, except potential Class Members and as shall be contractually required to effectuate the terms of the Agreement. For avoidance of doubt, this section means Plaintiffs and Class Counsel agree not to issue press releases, make or respond to social media postings, communicate with or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or another medium, with any person or entity concerning the Agreement, including the face of the Agreement, its terms or contents and the negotiations underlying the Agreement, except as shall be contractually required to effectuate the terms of the Agreement.

that the terms of this Agreement (including, but not limited to, any settlement amounts), the negotiations leading to this Agreement, and all documents related to the Agreement, shall not be discussed with, publicized, or promoted to the media, except as necessary in order to enforce its terms. Class Counsel and/or Plaintiffs will not list or refer to the Action in any website, mailing, publicity or similar materials – including, but not limited to, any radio or television stations, newspapers, or magazines. In response to any inquiries, including those from media outlets, concerning the settlement, the Parties and their respective counsel agree that they shall simply respond by stating, "the matter has resolved."

c. Class Counsel Marketing And Adequacy Declarations. Class Counsel agrees not to use Defendant's name in marketing materials. Class Counsel and Plaintiffs will not make any posting on any website, instant message site, blog, or social networking site that uses Defendant's name, and will not list or refer to the Action in any website, mailings, publicity, or other similar fora or materials. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the

1 2 3 4	Dated: January 1st, 2023 Demolition Specialist, Inc. Defendant By: Texemy THUMBERSURK Its: President
5 6 7	AGREED AS TO FORM ONLY: Dated: January 17, 2023 Nedang J. Patel
8 9 10	Dated: January 17, 2023 David D. Bibiyan VEDANG J. PATEL IONA LEVIN ARASH SHIRDEL Counsel for Plaintiffs JUAN ARTEAGA and
11 12 13 14	Dated: January 13, 2023 xx2022xxxx ROBERT R. ROGINSON
15 16 17	RYAN H. CROSNER MELIS ATALAY Counsel for Defendants DEMOLITION SPECIALIST, INC. JEREMY THUNDERBURK, and CHRISTINA THUNDERBURK
18 19	
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27 28	JOINT STIPULATION RE: CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT