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15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF RIVERSIDE**

17 NICHOLAS MENDOZA, individually, and on
18 behalf of other members of the general public
19 similarly situated;

20 Plaintiff,

21 vs.

22 PROSSER ENTERPRISE, INC., a California
23 corporation; and DOES 1 through 100, inclusive;

24 Defendants.

Case No.: CVRI2203321

CLASS ACTION

Assigned for All Purposes to:
Honorable Harold W. Hopp
Department 10

**JOINT STIPULATION AND
SETTLEMENT AGREEMENT**

Complaint Filed: August 8, 2022
FAC Filed: November 29, 2022
Trial Date: None Set

1 This Joint Stipulation and Settlement Agreement (“Settlement Agreement,” “Settlement,”
2 or “Agreement”) is made and entered between Plaintiff Nicholas Mendoza (“Plaintiff” or “Class
3 Representative”), on behalf of himself and all others similarly situated, and Defendant Prosser
4 Enterprise, Inc. (formerly known as Cannon Fabrication, Inc.), a California corporation
5 (“Defendant”).

6 DEFINITIONS

7 The following definitions are applicable to this Settlement Agreement.

8 Definitions contained elsewhere in this Settlement Agreement will also be effective:

9 1. “Action” means the instant matter filed in the Superior Court of California, County
10 of Riverside, Case Number CVRI2203321.

11 2. “Attorneys’ Fees and Costs” means attorneys’ fees and costs approved by the Court
12 for Class Counsel’s litigation and resolution of this Action.

13 3. “Class Counsel” means Justice Law Corporation.

14 4. “Class List” means a complete list of all Class Members that Defendant will
15 diligently and in good faith compile from their records and provide to the Settlement Administrator
16 within fifteen (15) calendar days after Preliminary Approval of this Settlement. The Class List will
17 be formatted in Microsoft Office Excel and will include each Class Member’s: (a) full name; (b)
18 last-known mailing address; (c) Social Security Number; and (d) dates of employment and
19 workweeks worked as a non-exempt employee in California during the Class Period.

20 5. “Class Member(s)” or “Class” means all current and former non-exempt
21 employees employed by Defendant within the State of California at any time during the period
22 from August 8, 2018 to July 18, 2022. “Class Members” shall not include any person who submits
23 a timely and valid Request for Exclusion Form. There are about one hundred thirty-three (133)
24 persons answering to this definition.

25 6. “Class Period” means the period from August 8, 2018 to July 18, 2022.

26 7. “Class Representative Enhancement Payment” means the amount approved by the
27 Court to be paid to Plaintiff in recognition of his contributions to the Action on behalf of Class
28 Members, to be paid from the Maximum Settlement Amount.

1 8. “Court” means the Superior Court of California, County of Riverside.

2 9. “Defendant” means Prosser Enterprise, Inc.

3 10. “Effective Date” means the later of the following dates: (a) final approval by the
4 Court; (b) if there are objections to the Settlement which are not withdrawn, and if an appeal,
5 review, or writ is not sought from the Judgment, the sixty-first (61st) day after service of notice of
6 entry of judgment; or (c) the dismissal or denial of an appeal, review, or writ, if the Judgment is no
7 longer subject to judicial review.

8 11. “Final Approval” means the Court order granting final approval of the Agreement.

9 12. “Individual Settlement Payment” means each Class Member’s share of the Net
10 Settlement Amount. Class Members will automatically receive their Individual Settlement
11 Payments unless they opt out of the Settlement. Class Members are not required to submit claim
12 forms to receive their share of the Individual Settlement Payments.

13 13. “Maximum Settlement Amount” means the sum of \$305,000, which is the
14 maximum amount to be paid by Defendant pursuant to this Agreement. The Maximum Settlement
15 Amount includes Individual Settlement Payments, Class Representative Enhancement Payment,
16 Attorneys’ Fees and Costs, and Settlement Administration Costs as specified herein. Defendant’s
17 ability to pay a greater sum has no bearing on the Maximum Settlement Amount.

18 13(a). Defendant shall pay the employer’s share of applicable payroll taxes due on
19 the portion of Individual Settlement Payments allocated to wages separately and in
20 addition to the Maximum Settlement Amount. Defendant will have no obligation to
21 pay any amount in connection with this Settlement Agreement apart from the
22 Maximum Settlement Amount and employer’s share of applicable payroll taxes
23 due on the portion of Individual Settlement Payments allocated to wages.

24 13(b). No portion of the Maximum Settlement Amount will revert to Defendant.

25 14. “Net Settlement Amount” means the Maximum Settlement Amount less the Class
26 Representative Enhancement Payment, Attorneys’ Fees and Costs, and Settlement Administration
27 Costs as specified in this Agreement.

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1 15. “Notice of Class Action Settlement” means the notice of settlement, attached
2 hereto as **Exhibit A**, to be mailed to all Class Members upon Preliminary Approval.

3 16. “Notice Packet” means the Notice of Class Action Settlement, Objection Form, and
4 Request For Exclusion Form that will be mailed to all Class Members upon Preliminary Approval.

5 17. “Objection” means any written objection to this Settlement sent by a Class
6 Member to the Settlement Administrator as specified herein and in the Notice of Class Action
7 Settlement. An Objection to Settlement must be sent to the Settlement Administrator within the
8 time limitations set forth in this Agreement.

9 18. “Objection Form” means the form Class Members can use to submit Objections
10 regarding this Settlement to the Settlement Administrator that must be postmarked on or before the
11 Response Deadline. The Objection Form must state the: (a) case name and number; (b) name of
12 the Class Member; (c) address and telephone number of the Class Member; (e) last four digits of
13 the Class Member’s Social Security Number; and (f) basis for the Objection. The Objection Form
14 is attached hereto as **Exhibit B**, to be mailed to all Class Members upon Preliminary Approval.

15 19. “Parties” means Plaintiff and Defendant collectively.

16 20. “Plaintiff” means Nicholas Mendoza.

17 21. “Preliminary Approval” means the Court order granting preliminary approval of
18 the Settlement Agreement.

19 22. “Released Claims” means all causes of action and factual or legal theories stated in
20 the operative complaint and those based solely upon the facts alleged in the operative complaint.
21 This includes all claims for unpaid minimum wages, overtime, meal and rest period
22 premiums/wages, unreimbursed expenses, recordkeeping, penalties, violation of Labor Code
23 sections 201 203, 218, 218.5, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1194.5, 1197, and 2802,
24 Industrial Wage Commission Wage Order 1-2001, Business and Professions Code section 17200 as
25 it relates to the underlying Labor Code claims referenced above and all damages, penalties,
26 interest, and other amounts recoverable under said claims, causes of action or legal theories of
27 relief. The period of the Released Claims shall extend to the limits of the Class Period.

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1 22(a). Plaintiff does not release Class Members' claims for wages if they submitted
2 valid and timely Request for Exclusion Forms. Defendant shall be entitled to a
3 release of the Released Claims occurring during the Class Period only and during
4 such time Class Members were classified as non-exempt employees. The Released
5 Claims also exclude claims for vested benefits, wrongful termination,
6 unemployment insurance, disability, social security, and workers' compensation.

7 22(b). The Released Claims shall not be effective until both the Judgment is
8 entered, and the settlement is fully funded by Defendant.

9 23. "Released Parties" means Defendant together with its officers, directors, and
10 employees.

11 24. "Request for Exclusion Form" means a timely written request by a Class Member
12 to be excluded from the Settlement. The Request for Exclusion Form must: (a) set forth the name,
13 address, telephone number and last four digits of the Social Security Number of the Class Member
14 requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement
15 Administrator; (d) clearly state the Class Member does not wish to be included in the Settlement;
16 and (e) be postmarked on or before the Response Deadline. The Request for Exclusion Form is
17 attached hereto as **Exhibit C**, to be mailed to all Class Members upon Preliminary Approval.

18 25. "Response Deadline" means the deadline by which Class Members must postmark
19 to the Settlement Administrator Request for Exclusion Forms or Objection Forms to the
20 Settlement. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
21 the Notice Packet by the Settlement Administrator. If the forty-fifth (45th) day falls on a Sunday or
22 Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal
23 Service is open.

24 26. "Settlement Administrator" means Phoenix Class Action Administration Solutions
25 that will work with the Parties to administer this Settlement. The Parties each represent they do not
26 have a financial interest in the Settlement Administrator or otherwise have a relationship with the
27 Settlement Administrator that could create a conflict of interest.

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1 27. "Settlement Administration Costs" includes all costs payable to the Settlement
2 Administrator for administering this Settlement. This includes, but is not limited to: (a) translating,
3 printing, distributing, mailing (if necessary), and tracking notice and other documents (*i.e.*,
4 Objection Forms, Request for Exclusion Forms received) for this Settlement; (b) calculating and
5 distributing all payments to be made pursuant to this Settlement; (c) sending Class Members
6 reminder postcards for uncashed settlement checks; (d) setting up the interest-bearing Qualified
7 Settlement Fund ("QSF"); (e) providing any funds remaining in the QSF as a result of uncashed
8 settlement checks to the State Controller's Unclaimed Property Fund; (f) tax reporting; and (g)
9 providing necessary reports and declarations as requested by the Parties.

10 28. "Workweek(s)" means the number of calendar weeks the Class Member worked as
11 a non-exempt employee in California during the Class Period.

12 29. "Workweek Value for Class Members" means the value of each compensable
13 Workweek by Class Members, as determined by the formula set forth in herein below.

14 **TERMS OF AGREEMENT**

15 Plaintiff, on behalf of himself and the Class, and Defendant agree as follows:

16 30. Funding of the Maximum Settlement Amount. Within ten (10) calendar days from
17 the Effective Date, Defendant will make a single payment of \$305,000 (including employer's share
18 of payroll taxes) into the QSF, which the Settlement Administrator will manage and establish. The
19 Maximum Settlement Amount will be used to pay the: (a) Individual Settlement Payments; (b)
20 Class Representative Enhancements Payment; (c) Attorneys' Fees and Costs; and (d) Settlement
21 Administration Costs.

22 31. Attorneys' Fees and Costs. Class Counsel will seek an award of Attorneys' Fees
23 and Costs of no more than \$106,750 in attorney's fees, (35% of the Maximum Settlement Amount)
24 and no more than \$20,000 in attorneys' costs, and Defendant agrees not to oppose such application.
25 All Attorneys' Fees and Costs will be paid from the Maximum Settlement Amount. Plaintiff and
26 Class Counsel will not have the right to revoke this Settlement if the Court fails to approve the sum
27 of Attorneys' Fees and Costs sought by Class Counsel. Any portion of the Attorneys' Fees and
28 Costs not awarded to Class Counsel will be added to the Net Settlement Amount.

1 32. Class Representative Enhancement Payment. Plaintiff will apply to the Court for a
2 Class Representative Enhancement Payment of no more than \$10,000 for his efforts and work in
3 prosecuting the Action on behalf of Class Members, and Defendant agrees not to oppose such
4 application. The Class Representative Enhancement Payment, which will be paid from the
5 Maximum Settlement Amount, will be in addition to Plaintiff's right to an Individual Settlement
6 Payment pursuant to this Settlement. Plaintiff will be solely and legally responsible to pay
7 applicable taxes on the Class Representative Enhancement Payment and will hold Defendant
8 harmless from any claim or liability for taxes, penalties, or interest arising from this payment.
9 Plaintiff will not have the right to revoke this Settlement if the Court fails to approve the amount
10 sought by Plaintiff as the Class Representative Enhancement Payment. Any portion of the Class
11 Representative Enhancement Payment not awarded to Plaintiff will be added to the Net Settlement
12 Amount.

13 33. Settlement Administration Costs. The Settlement Administrator will be paid for the
14 reasonable costs of administration of the Settlement and distribution of payments. These costs,
15 which will be paid from the Maximum Settlement Amount, will include, *inter alia*: (a) translating,
16 printing, distributing, remailing (if necessary), and tracking the Notice Packets and other
17 documents (*i.e.*, Objection Forms, Request for Exclusion Forms received) for this Settlement; (b)
18 calculating and distributing all payments to be made pursuant to this Settlement; (c) sending Class
19 Members reminder postcards for uncashed settlement checks; (d) setting up the interest-bearing
20 QSF; (e) providing any funds remaining in the QSF as a result of uncashed settlement checks to
21 the State Controller's Unclaimed Property Fund; (f) tax reporting; and (g) providing necessary
22 reports and declarations as requested by the Parties. The Settlement Administration Costs will not
23 exceed \$10,000. All the Settlement Administration Costs shall be paid from the Maximum
24 Settlement Amount upon completion of all duties required to be performed by the Settlement
25 Administrator under the terms of this Settlement or required by the Court. Any portion of the
26 Settlement Administration Costs not awarded to the Settlement Administrator will be added to the
27 Net Settlement Amount.

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1 34. Individual Settlement Payment Calculations. Individual Settlement Payments to
2 Class Members will be calculated and apportioned from the Net Settlement Amount based on the
3 number of Workweeks a Class Member worked during the Class Period as a non-exempt employee
4 in California. Such calculations will be made as follows:

5 34(a). The Settlement Administrator will calculate the total number of Workweeks
6 worked by each Class Member as a non-exempt employee in California during the
7 Class Period and the aggregate total Workweeks worked by all Class Members as
8 non-exempt employees in California during the Class Period.

9 34(b). To determine the estimated Individual Settlement Payments, the Settlement
10 Administrator will use the following formula: Net Settlement Amount will be
11 divided by the aggregate total number of Workweeks worked by all Class Members
12 during the Class Period, resulting in the Workweek Value for Class Members. Each
13 Class Member's Individual Settlement Payment will then be calculated by
14 multiplying each individual Class Member's total number of Workweeks worked by
15 the Workweek Value for Class Members.

16 34(c). The entire Net Settlement Amount will be disbursed as Individual
17 Settlement Payments to Class. If there are any valid and timely Request for
18 Exclusion Forms from Class Members, the Settlement Administrator shall
19 proportionately increase the Individual Settlement Payment for each Class Member
20 according to the number of Workweeks worked so that the amount distributed to the
21 Class equals one hundred percent (100%) of the Net Settlement Amount. All
22 interest accrued from Defendant's payment into the QSF during the funding process
23 and through distribution will be added to the Net Settlement Amount, and the
24 Individual Settlement Payments will be proportionally increased on a pro rata basis.

25 35. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Class Members under this Settlement, as well as any other payments made pursuant to this
27 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to
28 which any Class Members may be eligible. This includes but is not limited to: (a) profit-sharing

1 plans; (b) bonus plans; (c) 401(k) plans; (d) stock purchase plans; (e) vacation plans; (f) sick leave
2 plans; (g) PTO plans; and (h) any other benefit plan.

3 36. Settlement Administration Process. The Parties agree to cooperate in the
4 administration of the settlement and to make all reasonable efforts to control and minimize the
5 costs and expenses incurred in administration of the Settlement. Defendant agrees to fund the QSF
6 by making the above-described payment through the Settlement Administrator.

7 37. Delivery of the Class List. Within fifteen (15) calendar days of entry of the Court's
8 Order Granting Preliminary Approval, Defendant will provide the Class List to the Settlement
9 Administrator.

10 38. Confirmation of Contact Information in the Class List and Undeliverable Notices.
11 Prior to mailing, the Settlement Administrator will perform a search based on the National Change
12 of Address Database for information to update and correct for any known or identifiable address
13 changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or
14 before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the
15 forwarding address affixed thereto, and the Settlement Administrator will indicate the date of such
16 remailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator
17 will promptly attempt to determine the correct address using an Accurint search/skip-trace and will
18 perform a single remailing.

19 39. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after the
20 Settlement Administrator receives the Class List from Defendant, the Settlement Administrator
21 will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most
22 current, known mailing addresses identified in the Class List.

23 40. Notice Packets. All Class Members will be mailed a Notice Packet, comprised of
24 the Notice of Class Action Settlement, Objection Form, and Request For Exclusion Form in the
25 forms attached as **Exhibits A, B, and C** respectively or as provided by Court order.

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1 41. Disputed Information in the Notice Packets. Class Members will have an
2 opportunity to dispute the information provided in their Notice Packets. If Class Members dispute
3 their employment dates or the number of Workweeks worked, they can produce evidence to the
4 Settlement Administrator showing such information is inaccurate. The Settlement Administrator
5 will advise the Parties of such dispute, allow Defendant five (5) business days to respond with any
6 additional information or records, and then decide the dispute. Defendant's records will be
7 presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the
8 Class Member and Defendant. The Settlement Administrator will make the final decision as to the
9 merits of the dispute.

10 42. Request for Exclusion Forms. Any Class Member wishing to opt-out from the
11 Settlement must sign and postmark a valid and timely written Request for Exclusion Form to the
12 Settlement Administrator within the Response Deadline (no less than 45 calendar days from the
13 initial mailing of the Notice Packet by the Settlement Administrator). The postmark date will be
14 the exclusive means to determine whether a Request for Exclusion Form has been timely
15 submitted. The Parties and their counsel will not solicit or encourage any Class Member, directly
16 or indirectly, to opt out of the Settlement. A Class Member who properly submits a valid and
17 timely request to be excluded from the Action will not receive an Individual Settlement Payment,
18 will not be bound by the class action releases of the Settlement, and will not have standing to
19 object to the Settlement. A Request for Exclusion Form must be mailed to the Settlement
20 Administrator at the address to be provided in the Notice Packet. The Settlement Administrator
21 will promptly transmit the Request for Exclusion Forms to the Parties' counsel. Class Counsel will
22 include all Request for Exclusion Forms received with Plaintiff's motion for Final Approval of the
23 Settlement.

24 42(a). Defective Submissions. If a Class Member's Request for Exclusion Form is
25 defective as to the requirements listed herein, that Class Member will be given an
26 opportunity to cure the defect(s). Specifically, the Settlement Administrator will
27 mail the Class Member a curative letter within three (3) business days of receiving
28 the defective submission to advise the Class Member his or her submission is

1 defective and that the defect must be cured to render the Request for Exclusion
2 Form valid. The Class Member will have until the later of: (1) the Response
3 Deadline; or (2) fifteen (15) calendar days from the date of the curative letter,
4 whichever date is later, to postmark a revised Request for Exclusion Form. If the
5 revised Request for Exclusion Form is not postmarked within that period, it will be
6 deemed untimely.

7 42(b). Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
8 Member who does not affirmatively opt out of the Settlement by submitting a
9 timely and valid Request for Exclusion Form will be bound by all its terms,
10 including those pertaining to the Released Claims, as well as any Judgment that
11 may be entered by the Court if it grants Final Approval.

12 43. Objection Procedures. The Notice Packet shall state Class Members who wish to
13 object to the Settlement may do so by submitting an Objection Form to the Settlement
14 Administrator by the Response Deadline (no less than 45 calendar days from the initial mailing of
15 the Notice Packet by the Settlement Administrator). The postmark date of the filing and service
16 will be deemed the exclusive means for determining whether the Objection is timely. The
17 Settlement Administrator will promptly provide any Objection Forms to the Parties' counsel upon
18 receiving them. Class Counsel will include all Objections received and Plaintiff's response(s) with
19 Plaintiff's motion for Final Approval of the Settlement. Class Members have the right to have their
20 Objections heard at the Final Approval Hearing. However, Class Members are not required to
21 appear at the Final Approval Hearing to have their Objections considered. Class Counsel will not
22 represent any Class Members with respect to any such Objections to this Settlement. Any Class
23 Members who request exclusion from the Settlement will not have standing to object to the
24 Settlement. If a Class Member objects to the Settlement, the Class Member will remain a member
25 of the Class. By extension, if the Court approves this Settlement, the objecting Class Member will
26 be deemed a Class Member and be bound by the terms of the Settlement and Final Approval
27 Hearing in the same way and to the same extent as a Class Member who did not object.

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1 44. Settlement Administrator Reports. The Settlement Administrator will provide the
2 Parties' counsel a weekly report of the number of Class Members who have submitted valid
3 Request for Exclusion Forms, Objection Forms, and disputes regarding Workweeks worked
4 calculations. The Settlement Administrator will also provide the Parties' counsel any updated
5 reports regarding the administration of the Settlement Agreement as needed or requested.

6 45. Funding of the Qualified Settlement Fund. To facilitate the funding of the QSF for
7 distribution as detailed above, Defendant will make a single payment of \$305,000 (including
8 employer's share of payroll taxes) into the QSF within ten (10) calendar days from the Effective
9 Date. The Settlement Administrator will notify Defendant's counsel of the account information to
10 which Defendant will wire the payment into the QSF to fund the Maximum Settlement Amount.
11 Upon establishing the QSF, the Settlement Administrator will maintain the fund through
12 preliminary approval, the settlement administration, and approval process.

13 46. Distribution and Timing of Payments: Within ten (10) calendar days from
14 Defendant fully funding the QSF, the Settlement Administrator will issue payments to: (a) all Class
15 Members who have not submitted a valid and timely Request for Exclusion Form, including any
16 Class Member whose notice was returned as undeliverable; (b) Plaintiff; and (c) Class Counsel.
17 The Settlement Administrator will also issue a payment to itself for Court-approved services
18 performed in connection with the Settlement. The Settlement Administrator will pay Individual
19 Settlement Payments from the Net Settlement Amount to all Class Members who do not timely
20 request exclusion. The Settlement Administrator will submit these payments by sending a check in
21 the appropriate amount to the Class Members at the address indicated in the Class List provided by
22 Defendant, or as later determined by the Settlement Administrator to be correct.

23 47. Uncashed Settlement Checks. Class Members will receive checks for their
24 Individual Settlement Payments. Checks will remain negotiable for one hundred twenty (120)
25 calendar days ("Check-Cashing Deadline"). Any check not cashed within the Check-Cashing
26 Deadline will be void. The funds from the uncashed checks shall be distributed by the Settlement
27 Administrator to the State Controller's Unclaimed Property Fund. Specifically, the Settlement
28 Administrator shall deposit the total amounts contained in the settlement checks, and all interest

1 accrued, to the State Controller's Unclaimed Property Fund. The Settlement Administrator shall
2 provide a declaration of deposit with the State Controller's Unclaimed Property Fund, which will
3 be served on the Parties' counsel within ten (10) calendar days of payment of the residual. Any
4 costs associated with administering the remaining funds under this paragraph (e.g., bank stop-
5 payment charges, settlement administration costs associated with any reserve amount) or payments
6 to the State Controller's Unclaimed Property Fund will be deducted before the deposit into the
7 State Controller's Unclaimed Property Fund.

8 48. Certification of Completion. Upon completion of administration of the Settlement,
9 the Settlement Administrator will provide a written declaration under oath to certify such
10 completion to the Court and the Parties' counsel.

11 49. Allocation of Individual Settlement Payments. All Individual Settlement Payments
12 will be allocated as follows: (a) twenty percent (20%) as wages; (b) forty percent (40%) as
13 penalties; and (c) forty percent (40%) as interest. All interest accrued from Defendant's payment
14 into the QSF during the funding process and through distribution will be added to the Net
15 Settlement Amount, and Individual Settlement Payments will be proportionally increased on a pro
16 rata basis. The Settlement Administrator will be responsible for issuing to Class Members a form
17 W-2 for amounts deemed wages and an IRS Form 1099 for the portions allocated to interest and
18 penalties.

19 50. Administration of Taxes by Settlement Administrator. The Settlement
20 Administrator will be responsible for issuing to Plaintiff, Class Members, and Class Counsel tax
21 forms as may be required by law for all amounts paid and will be responsible for forwarding all
22 taxes and penalties to the appropriate government authorities as may be required by law.

23 51. Tax Liability. Defendant makes no representation as to the tax treatment or legal
24 effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on
25 any statement, representation, or calculation by Defendant or by the Settlement Administrator in
26 this regard. Plaintiff and Class Members understand and agree they will be solely responsible for
27 the payment of any taxes and penalties assessed on the payments described herein and will defend,
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1 indemnify, and hold Defendant free and harmless from and against any claims resulting from
2 treatment of such payments as non-taxable damages.

3 52. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
4 PURPOSES OF THIS PARAGRAPH, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
5 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
6 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
7 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
8 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
9 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
10 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
11 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
12 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
13 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR
14 ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B)
15 HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION
16 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND
17 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY
18 ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
19 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY
20 OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
21 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX
22 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
23 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
24 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
25 CONTEMPLATED BY THIS AGREEMENT.

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1 53. No Prior Assignments. The Parties and their counsel represent, covenant, and
2 warrant they have not directly or indirectly assigned, transferred, encumbered, or purported to
3 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
4 action, cause of action or right herein released and discharged.

5 54. Nullification of Settlement Agreement. If: (a) the Court does not finally approve
6 the Settlement as provided herein; or (b) the Settlement does not become final for any other reason,
7 then this Settlement Agreement, and any documents generated to bring it into effect, will be null
8 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement
9 will likewise be treated as void from the beginning.

10 55. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
11 request the Preliminary Approval of the Settlement Agreement and the entry of a Preliminary
12 Approval Order for: (a) the conditional certification of the Class for settlement purposes only; (b)
13 preliminary approval of the proposed Settlement Agreement; and (c) setting a date for a Final
14 Approval Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to
15 all Class Members as specified herein. In conjunction with the Preliminary Approval Hearing,
16 Plaintiff will submit this Settlement Agreement, which will include the proposed Notice Packet.
17 Class Counsel will provide Defendant's counsel a draft of the motion for preliminary approval
18 papers a minimum of seven (7) calendar days before the filing deadline for their review and
19 approval. Defendant's counsel agrees to provide any comments and/or revisions to the preliminary
20 approval papers no later than twenty-four (24) hours prior to the filing deadline.

21 56. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
22 deadlines to postmark Request for Exclusion Forms or Objection Forms to the Settlement
23 Agreement, and with the Court's permission, a Final Approval Hearing will be conducted to
24 determine the Final Approval of the Settlement Agreement along with the amounts properly
25 payable for: (a) Individual Settlement Payments; (b) Class Representative Enhancement Payment;
26 (c) Attorneys' Fees and Costs; and (d) Settlement Administration Costs. Class Counsel will be
27 responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also
28 be responsible for drafting the attorneys' fees and costs application to be heard at the Final

1 Approval Hearing. The Final Approval Hearing will not be held earlier than thirty (30) days after
2 the Response Deadline. Class Counsel will provide Defendant's counsel a draft of the motion for
3 final approval papers a minimum of seven (7) calendar days before the filing deadline for their
4 review and approval. Defendant's counsel agrees to provide any comments and/or revisions to the
5 final approval papers no later than twenty-four (24) hours prior to the filing deadline.

6 57. Judgment and Continued Jurisdiction. Upon Final Approval or after the Final
7 Approval Hearing, the Parties will present the Judgment to the Court for its approval. After entry
8 of the Judgment, the Court will have continuing jurisdiction to address: (a) the interpretation and
9 enforcement of the terms of the Settlement; (b) settlement administration matters; and (c) such
10 post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

11 58. General Release by Plaintiff. In consideration for the consideration set forth in this
12 Agreement, Plaintiff, for himself and his heirs, successors, and assigns waive, release, acquit, and
13 forever discharges the Released Parties from any and all claims, actions, charges, complaints,
14 grievances, and causes of action, of whatever nature, whether known or unknown, which exist or
15 may exist on Plaintiff's behalf as of the date of this Agreement. This includes, but is not limited to,
16 any and all tort claims, contract claims, wage claims, wrongful termination claims, disability
17 claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury
18 claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims,
19 quantum meruit claims, and any and all claims arising under any federal, state or other
20 governmental statute, law, regulation or ordinance, including any claims arising under the
21 California Fair Employment and Housing Act (FEHA), the Labor Code, the Wage Orders of
22 California's Industrial Welfare Commission, other state wage and hour laws, the Americans with
23 Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement
24 Income Security Act, Title VII of the Civil Rights Act of 1964, the Family Rights Act, the Family
25 Medical Leave Act, California's Whistleblower Protection Act, Business & Professions Code
26 sections 17200, *et seq.*, and any and all claims arising under any federal, state or other
27 governmental statute, law, regulation or ordinance. Plaintiff also hereby expressly waives and
28

1 relinquishes any and all claims, rights or benefits they may have under Civil Code section 1542,
2 which provides as follows:

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

9 Plaintiff may hereafter discover claims or facts in addition to, or different from, those which
10 they now know or believe to exist. But Plaintiff expressly agrees to fully, finally, and forever settle
11 and release any and all claims against the Released Parties, known or unknown, suspected or
12 unsuspected, which exist or may exist against Released Parties at the time of execution of this
13 Agreement. This includes, but is not limited to, any and all claims relating to or arising from
14 Plaintiff's employment with Defendant or its predecessor, Cannon Fabrication, Inc. The Parties
15 further acknowledge, understand, and agree this representation and commitment is essential to the
16 Agreement and that this Agreement would not have been entered were it not for this representation
17 and commitment.

18 59. Release by All Class Members. Plaintiff and all Class Members who do not submit
19 a valid and timely Request for Exclusion Form, on behalf of himself or herself, his or her heirs,
20 descendants, dependents, executors, administrators, assigns, and successors, fully and finally
21 release and discharge the Released Parties from any and all of the Released Claims within the
22 Class Period. This waiver and release will only be final and binding only after both Judgment is
23 entered and the settlement is fully funded by Defendant. Plaintiff and the Class Members may
24 hereafter discover facts or legal arguments in addition to or different from those they now know or
25 currently believe to be true with respect to the Released Claims. The discovery of new facts or
26 legal arguments shall in no way limit the scope or definition of the Released Claims. By virtue of
27 this Agreement, Plaintiff and the Class Members shall be deemed to have, and by operation of the
28 final judgment approved by the Court, shall have, fully, finally, and forever settled and released all
of the Released Claims. The Parties understand and agree the scope of the release described in this
paragraph: (a) is a material part of the consideration for this Agreement; (b) was critical in
justifying the agreed upon economic value of this settlement and without it Defendant would not

1 have agreed to the consideration provided; and (c) is narrowly drafted and necessary to ensure
2 Defendant is obtaining peace of mind regarding the resolution of the claims stated in the operative
3 complaint and those based solely upon the facts alleged in the operative complaint.

4 60. Exhibits Incorporated by Reference. The terms of this Settlement include the terms
5 set forth in any attached Exhibits, which are incorporated by reference as though fully set forth
6 herein. Any Exhibits to this Settlement are an integral part of the Settlement.

7 61. Publicity Agreement. Plaintiff and Class Counsel agree not to disclose or publicize
8 the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations
9 underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity,
10 except potential class members and as shall be contractually required to effectuate the terms of the
11 Settlement. For the avoidance of doubt, this paragraph means Plaintiff and Class Counsel agree not
12 to issue press releases, communicate with, or respond to any media or publication entities, publish
13 information in manner or form, whether printed or electronic, on any medium or otherwise
14 communicate, whether by print, video, recording or any other medium, with any person or entity
15 concerning the Settlement, including the fact of the Settlement, its terms or contents and the
16 negotiations underlying the Settlement, except as shall be contractually required to effectuate the
17 terms of the Settlement. But for the limited purpose of allowing Class Counsel to prove adequacy
18 as class counsel in other actions, Class Counsel may disclose the name of the Parties and the
19 venue/case number of this Action (but not any other settlement details).

20 62. No Unalleged Claims. Plaintiff and Class Counsel represent they are not currently
21 aware of any: (a) unalleged claims in addition to, or different from, those which are finally and
22 forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts
23 or legal theories upon which any claims or causes of action could be brought against Defendant,
24 except such facts and theories alleged in the operative complaint in this Action. Plaintiff and Class
25 Counsel further represent, other than the instant Action, they have no current intention of asserting
26 any other claims against Defendant in any judicial or administrative forum. Plaintiff and Class
27 Counsel represent they do not currently know of or represent any persons who have expressed any
28 interest in pursuing litigation or seeking any recovery against Defendant. The Parties acknowledge,

1 understand, and agree the representations described in this paragraph are essential to the
2 Settlement and that this Settlement would not have been entered were it not for this representation.

3 63. Escalator Clause. It is estimated there are approximately 8,259 Workweeks within
4 the Class Period. If other information regarding Class Members for settlement administration
5 reveal there are more than 8,259 Workweeks between August 8, 2018 and July 18, 2022,
6 Defendant shall increase the Maximum Settlement Amount on a pro-rata basis equal to the
7 percentage increase in the number of Workweeks above ten percent (10%). In other words,
8 Defendant will increase the Maximum Settlement Amount by the percentage above ten percent.
9 For example, if the number of Workweeks increases by eleven percent (11%) (9,168 Workweeks),
10 the Maximum Settlement Amount will increase by one percent (1%).

11 64. Defendant's Option to Terminate. If ten percent (10%) or more of the Class
12 Members opt out of the Settlement, then Defendant, in its discretion, may revoke the Settlement.
13 Defendant must exercise its right to revoke this Settlement within twenty-one (21) calendar days of
14 being informed by the Settlement Administrator in writing that ten percent (10%) or more of the
15 Class opted out of the settlement. If Defendant revokes the Settlement, then Defendant will be
16 liable for the Settlement Administrator's costs incurred to date.

17 65. Entire Agreement. This Agreement and any attached Exhibits constitute the entirety
18 of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may
19 be deemed binding on the Parties. This provision has no application or impact on any arbitration
20 agreements, confidentiality agreements, employee handbooks or policies executed by a Class
21 Member during his or her employment with Defendant, which remain in full force and effect.

22 66. Amendment or Modification. This Settlement Agreement may be amended or
23 modified only by a written instrument signed by the Parties' counsel or their successors-in-interest.

24 67. Authorization to Enter the Settlement Agreement. The Parties' counsel warrant and
25 represent they are expressly authorized by the Parties whom they represent to negotiate this
26 Settlement and to take all appropriate action required or permitted to be taken by such Parties
27 pursuant to this Settlement to effectuate its terms and to execute any other documents required to
28 effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other

1 and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
2 reach agreement on the form or content of any document needed to implement the Settlement, or
3 on any supplemental provisions that may become necessary to effectuate the terms of this
4 Settlement, the Parties shall refer the matter to the mediator Jason Marsili for resolution.

5 68. Binding on Successors and Assigns. This Agreement will be binding upon, and
6 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

7 69. California Law Governs. All terms of this Settlement Agreement and Exhibits
8 hereto will be governed by and interpreted according to the laws of the State of California.

9 70. Execution and Counterparts. This Settlement Agreement is subject only to the
10 execution of all Parties. However, the Settlement may be executed in one or more counterparts. All
11 executed counterparts and each of them, including facsimile and scanned copies of the signature
12 page, will be deemed to be one and the same instrument if the Parties' counsel will exchange
13 among themselves original signed counterparts.

14 71. Acknowledgement the Settlement Agreement is Fair and Reasonable. The Parties
15 believe this Settlement is a fair, adequate, and reasonable settlement and have arrived at this
16 Settlement after arm's-length negotiations and in the context of adversarial litigation. The Parties
17 further acknowledge they are each represented by competent counsel and that they have had an
18 opportunity to consult with their counsel regarding the fairness and reasonableness of this
19 Settlement. In addition, the mediator may execute a declaration supporting the Settlement and the
20 reasonableness of the Settlement. The Court may, in its discretion, contact the mediator to discuss
21 the Settlement and whether the Settlement is objectively fair and reasonable.

22 72. Invalidity of Any Provision. Before declaring any provision of this Settlement
23 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
24 extent possible consistent with applicable precedents so as to define all provisions of this
25 Settlement Agreement valid and enforceable.

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1 73. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
2 class certification for purposes of this Settlement only. Plaintiff or Class Counsel may appeal any
3 reduction in Attorneys' Fees and Costs below the amount they request from the Court, and either
4 Party may appeal any court order that materially alters the Settlement Agreement's terms.

5 74. Non-Admission of Liability. The Parties enter this Settlement to resolve the dispute
6 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In
7 entering this Settlement, Defendant does not admit, and specifically denies, it: (a) violated any
8 federal, state, or local law; (b) violated any regulations or guidelines promulgated pursuant to any
9 statute or any other applicable laws, regulations, or legal requirements; (c) breached any contract;
10 (d) violated or breached any duty; (e) engaged in any misrepresentation or deception; or (d)
11 engaged in any other unlawful conduct with respect to their employees. Except as necessary in a
12 proceeding to enforce the terms of this Settlement, this Settlement and its terms and provisions will
13 not be offered or received as evidence in any action or proceeding to establish any liability or
14 admission on the part of Defendant or to establish the existence of any condition constituting a
15 violation of, or a non-compliance with, federal, state, local or other applicable law.

16 75. Waiver. No waiver of any condition or covenant contained in this Settlement or
17 failure to exercise a right or remedy by any of the Parties will be considered to imply or constitute
18 a further waiver by the Parties of the same or any other condition, covenant, right, or remedy.

19 76. Enforcement Action. If one or more of the Parties institutes any legal action or
20 other proceeding against any other Party or Parties to enforce the provisions of this Settlement or
21 to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
22 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs,
23 including expert witness fees incurred in connection with any enforcement actions.

24 77. Mutual Preparation. The Parties had a full opportunity to negotiate the terms and
25 conditions of this Settlement. Accordingly, this Settlement will not be construed more strictly
26 against one Party than another merely by virtue of the fact it may have been prepared by counsel
27 for one of the Parties. It is recognized that, because of the arm's-length negotiations between the
28 Parties, all Parties have contributed to the preparation of this Settlement.

1 78. Representation By Counsel. The Parties acknowledge they have been represented
2 by counsel throughout all negotiations that preceded the execution of this Settlement and that this
3 Settlement has been executed with the consent and advice of counsel. Furthermore, Plaintiff and
4 Class Counsel warrant and represent there are no liens on the Settlement.

5 79. All Terms Subject to Final Court Approval. All amounts and procedures described
6 in this Settlement Agreement herein will be subject to final Court approval.

7 80. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
8 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
9 this Settlement Agreement.

10 81. Binding Agreement. The Parties warrant they understand and have full authority to
11 enter this Settlement and further intend this Settlement will be fully enforceable and binding on all
12 Parties. The Parties also agree this Settlement will be admissible and subject to disclosure in any
13 proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
14 otherwise might apply under federal or state law.

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SO AGREED AND STIPULATED.

PLAINTIFF

DATED: 02/03/2023



Nicholas Mendoza


DEFENDANT

DATED: _____

Prosser Enterprise, Inc.
By:
Title:

JUSTICE LAW CORPORATION

DATED: 2/3/23



Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
Attorneys for Plaintiff

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

DATED: _____

Ronald W. Novotny
Joshua N. Lange
Attorneys for Defendant

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SO AGREED AND STIPULATED.

PLAINTIFF

DATED: _____

Nicholas Mendoza

DEFENDANT

DATED: 2/3/2023

Prosser Enterprise, Inc.
By: DONALD J. PROSSER
Title: CFO

JUSTICE LAW CORPORATION

DATED: _____

Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
Attorneys for Plaintiff

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

DATED: February 3, 2023

Ronald W. Novotny
Joshua N. Lange
Attorneys for Defendant

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY RIVERSIDE

NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

NICHOLAS MENDOZA, individually, and on behalf
of other members of the general public similarly
situated;

Plaintiff,

vs.

PROSSER ENTERPRISE, INC., a California
corporation; and DOES 1 through 100, inclusive;

Defendants.

Case No.: CVRI2203321

Assigned for All Purposes to:
Honorable Harold W. Hopp
Department 10

NOTICE OF CLASS ACTION SETTLEMENT

I. WHY DID I GET THIS NOTICE?

This notice explains the settlement that has been reached regarding the above-titled lawsuit (Case No. CVRI2203321) (the “Action”). Moreover, this notice has been mailed alongside the Objection Form and Request for Exclusion Form for your possible use.

You are receiving this notice because the records of Defendant Prosser Enterprise, Inc. (formerly known as Cannon Fabrication, Inc.) (“Defendant”) indicate you are a current or former non-exempt employee employed by Defendant within the State of California at any time during the period from August 8, 2018 to July 18, 2022 (“Class,” “Class Member” and “Class Period”). You are eligible to receive a portion of the settlement amount.

This is **not** a notice of a lawsuit against you. **You are not being sued.** Your participation in the settlement will not affect your employment with Defendant in any way whatsoever.

The Court has ordered this notice be sent to you because Defendant’s records indicate you are or were employed by Defendant as a Class Member. The purpose of this notice is to inform you of the proposed settlement of the Action. The notice is intended to: (1) describe the settlement, including how the settlement funds will be allocated and how the settlement may affect you; and (2) advise you of your rights and options with respect to the settlement.

II. WHAT IS THE CLASS ACTION LAWSUIT ABOUT?

On August 8, 2022, Plaintiff Nicholas Mendoza (“Plaintiff”), a former employee of Defendant, filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Riverside, against former defendant Canfab Management LLC f/k/a Cannon Fabrication, Inc. Plaintiff’s lawsuit alleged violation of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code sections 226.7 (unpaid rest period premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor

Code section 226(a) (noncompliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) Business & Professions Code sections 17200.

On November 29, 2022, Plaintiff filed a First Amended Complaint that changed Canfab Management LLC f/k/a Cannon Fabrication, Inc. with Defendant as the named defendant.

On January 17, 2023, Plaintiff and Defendant (collectively, known as the “Parties”) attended mediation with the mediator Jason Marsili, a well-respected mediator of class action lawsuits. Under the guidance of the mediator, the Parties reached a settlement.

Defendant denies it violated the law in any way and further denies the Action is appropriate for class treatment for any purpose other than this settlement. Nothing in this notice, or the settlement itself, or any actions to carry out the terms of the settlement, means Defendant admits any fault, guilt, negligence, wrongdoing, or liability whatsoever.

The Court has not ruled on whether Plaintiff’s allegations have any merit. By granting preliminary approval of the settlement, the Court has only determined there is sufficient evidence to suggest the proposed settlement might be fair, adequate, and reasonable, and any final determination of these issues will be made at the Final Approval Hearing. To avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, the Parties have agreed to resolve this matter in the amount of \$305,000. Class Members who do not exclude themselves from the settlement are entitled to receive a portion of this amount. This settlement is **not** an admission by Defendant of any liability.

III. WHO IS INCLUDED IN THIS CLASS ACTION?

The “Class” and “Class Members” are defined as all current and former non-exempt employees employed by Defendant within the State of California at any time during the period from August 8, 2018 to July 18, 2022. A “non-exempt employee” means an employee who is entitled to minimum wage and overtime wage pay if the employee worked more than eight (8) hours in a day or more than forty (40) hours in a week.

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

The following will occur when the settlement administration is completed, and the Court grants final approval to the settlement:

A. Defendant will pay \$305,000 to settle the claims of all Class Members (“Maximum Settlement Amount”). Within ten (10) calendar days from the Effective Date, Defendant will make a single payment of \$305,000 (including employer’s share of payroll taxes) into the Qualified Settlement Fund, which the Settlement Administrator will manage and establish.

- 1)** The “Effective Date” means the later of the following dates: (a) final approval by the Court; (b) if there are objections to the Settlement which are not withdrawn, and if an appeal, review, or writ is not sought from the Judgment, the sixty-first (61st) day after service of notice of entry of judgment; or (c) the dismissal or denial of an appeal, review, or writ, if the Judgment is no longer subject to judicial review.

B. A Settlement Administrator has been appointed by the Court to administer the settlement. The Settlement Administrator will pay the following out of the Maximum Settlement Amount:

- 1)** Class Counsel’s attorneys’ fees of up to \$106,750;

- 2) Class Counsel's attorneys' costs as reimbursement for litigation costs and expenses incurred of up to \$20,000;
- 3) Class Representative Enhancement Payment of up to \$10,000 to Plaintiff; and
- 4) Settlement Administration Costs to the Settlement Administrator of up to \$10,000.

C. The Net Settlement Amount refers to the Maximum Settlement Amount less the above-mentioned Attorneys' Fees and Costs, Class Representative Enhancement Payment, and Settlement Administration Costs. The Net Settlement Amount is estimated to be \$158,250, and it will be distributed in its entirety through the Individual Settlement Payments that will be sent to the Class Members, described in detail below.

V. INDIVIDUAL SETTLEMENT PAYMENTS

Individual Settlement Payments to Class Members will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class Period as a non-exempt employee in California.

The Settlement Administrator will calculate the total number of Workweeks worked by each Class Member as a non-exempt employee in California during the Class Period and the aggregate total Workweeks worked by all Class Members as non-exempt employees in California during the Class Period.

Next, to determine the estimated Individual Settlement Payments, the Settlement Administrator will use the following formula: Net Settlement Amount will be divided by the aggregate total number of Workweeks worked by all Class Members during the Class Period, resulting in the Workweek Value for Class Members. Each Class Member's Individual Settlement Payment will then be calculated by multiplying each individual Class Member's total number of Workweeks worked by the Workweek Value for Class Members.

If you do not opt out of the settlement, you will be eligible to receive an Individual Settlement Payment, less applicable taxes. **It has been determined the number of Workweeks you worked for Defendant as a Class Member during the Class Period is: [REDACTED]. Your estimated Individual Settlement Payment is: \$ [REDACTED].**

The estimated range of the Individual Settlement Payments is \$ [REDACTED] on the low end and \$ [REDACTED] on the high end.

VI. RELEASED CLAIMS

If the Court grants final approval of the settlement and you do not opt out of the settlement, then you will release Defendant from all causes of action and factual or legal theories stated in the operative complaint and those based solely upon the facts alleged in the operative complaint. This includes all claims for unpaid minimum wages, overtime, meal and rest period premiums/wages, unreimbursed expenses, recordkeeping, penalties, violation of Labor Code sections 201, 203, 218, 218.5, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1194.5, 1197, and 2802, Industrial Wage Commission Wage Order 1-2001, Business and Professions Code section 17200 as it relates to the underlying Labor Code claims referenced above and all damages, penalties, interest, and other amounts recoverable under said claims, causes of action or legal theories of relief. The period of the Released Claims shall extend to the limits of the Class Period ("Released Claims"). The Released Claims shall not be effective until both the Judgment is entered, and the settlement is fully funded by Defendant.

The parties that will be released of the Released Claims include Defendant together with its officers, directors, and employees ("Released Parties").

VII. WHAT ARE MY OPTIONS?

A. *You may accept your share of the Maximum Settlement Amount and be bound by the release of all claims described above.* Settlement awards will be paid by check after the settlement is given final approval by the Court. The checks will be mailed to you by the Settlement Administrator. Your check will remain valid and negotiable for one hundred twenty (120) calendar days from the date on which it is issued. After the one hundred twenty (120) calendar days expire, the check will become void and the funds from the uncashed checks shall be distributed by the Settlement Administrator to the State Controller's Unclaimed Property Fund; or

B. *You may exclude yourself from the settlement, in which case you will not receive your Individual Settlement Payment, and you will not be bound by the settlement.* If you choose to be excluded from the settlement, by no later than [ENTER DATE] (within 45 calendar days after the initial mailing of this Notice Packet), you must complete the "Request for Exclusion Form" included in this Notice Packet and mail the Request for Exclusion Form to Phoenix Class Action Administration Solutions, the Settlement Administrator, located at [REDACTED]. To be valid, your exclusion request must include the information contained within the "Request for Exclusion Form" along with your signature; or

C. *You may object to the settlement.* The procedures for objecting to the settlement are detailed in the "Objection Form" included in this Notice Packet. A more detailed explanation on the "Objection Form" and how to object is provided below under Section IX of this notice.

VIII. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The Settlement Administrator will calculate your share of the settlement and will issue you a settlement check.

B. All Individual Settlement Payments will be allocated as follows: (1) twenty percent (20%) as wages; (2) forty percent (40%) as penalties; and (3) forty percent (40%) as interest. The Settlement Administrator will be responsible for issuing to Class Members a form W-2 for amounts deemed wages and an IRS Form 1099 for the portions allocated to interest and penalties. You are responsible for paying the correct amount of taxes on each portion of your share of the settlement.

C. While the Settlement Administrator will make its best effort to ensure you receive your Individual Settlement Payment under the Net Settlement Amount, you are encouraged to notify either the Settlement Administrator or Class Counsel regarding any changes to your contact information.

D. It is important for the Parties to have your current address to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this notice. Failure to report a change of address may result in you not receiving your share of the settlement money.

IX. PROCEDURES FOR OBJECTING TO SETTLEMENT

If you believe the settlement is unfair, and you want to tell the Court and the proponents of the settlement why you oppose it, you have a right to object to the settlement and tell the Court the reasons why you do not agree with the settlement. When you object to the settlement, you have an opportunity to explain to the judge why you believe the settlement is unfair and should not be finally approved. These procedures are your only opportunity to object to the settlement and ask the Court to listen to your point of view.

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To object, you must fill out the “Objection Form” included in this Notice Packet. Moreover, you must also explain your reasoning under the “I object to the Settlement for the following reasons” portion of the “Objection Form.” If you object to the settlement, you will also have the right to appear at the Final Approval Hearing. However, you are not required to appear Final Approval Hearing to have your objection considered. Alternatively, you may appear at the Final Approval Hearing even if you do not submit an Objection Form in person or through counsel and object orally. You must mail the “Objection Form” to the Settlement Administrator located at [REDACTED]. The “Objection Form” must be postmarked by [REDACTED] (within 45 calendar days after the initial mailing of this Notice Packet).

X. HEARING ON PROPOSED SETTLEMENT

A Final Approval Hearing will be held before the Court on [REDACTED] at [REDACTED] in Department 10 of the Riverside Superior Court (Historic Courthouse) located at the 4050 Main Street, Riverside, California 92501 to decide whether the proposed settlement is fair, reasonable, and adequate. The Settlement Administrator will give notice to Class Members of any continuance of the Final Approval Hearing by mail.

You are not required to attend the Final Approval Hearing. Class Counsel will answer any questions the Court may have. But you are welcome to attend the Final Approval Hearing at your own expense.

XI. EXAMINATION OF COURT PAPERS AND QUESTIONS

This notice summarizes the settlement. For more detailed information, you may view a complete copy of the settlement and any papers filed in the Action, which are on file with the Clerk of the Court (Case No. CVRI2203321). The pleadings and all other records from this litigation may be examined by inspecting the Court file in the at the clerk’s office of the Riverside Superior Court (Historic Courthouse) located at 4050 Main Street, Riverside, California 92501. You can also find the settlement (“Joint Stipulation and Settlement Agreement”) by accessing the Court’s website at <<https://epublic-access.riverside.courts.ca.gov/public-portal/>>. The most recent version of the settlement was attached as Exhibit [REDACTED] to the [REDACTED] that was filed with the Court on [REDACTED].

If you have any questions, you can call the Settlement Administrator at [REDACTED] or the Parties’ counsel (see below for phone numbers, email information, and physical mailing address.)

ATTORNEYS REPRESENTING PLAINTIFF AND THE CLASS

JUSTICE LAW CORPORATION
Douglas Han
Shunt Tatavos-Gharajeh
Jason Rothman
751 N. Fair Oaks Ave., Suite 101
Pasadena, California 91103
Tel: (818) 230-7502 / Fax: (818) 230-7259
dhan@justicelawcorp.com
statavos@justicelawcorp.com
jrothman@justicelawcorp.com

ATTORNEYS REPRESENTING DEFENDANT

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Ronald W. Novotny

Joshua N. Lange

12800 Center Court Drive South, Suite 300

Cerritos, California 90703-9364

Tel: (562) 653-3200 / Fax: (562) 653-3333

RNovotny@aalrr.com

Joshua.Lange@aalrr.com

PLEASE DO NOT CALL THE COURT REGARDING THIS SETTLEMENT

EXHIBIT B

OBJECTION FORM

Nicholas Mendoza v. Prosser Enterprise, Inc.
Case No. CVRI2203321

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be included in the Settlement, receive your share of the Settlement, and no action is required.
EXCLUDE YOURSELF	<u>Get no payment for the Settlement.</u> You will not receive any share of the Settlement and will not release the released claims as described in Section VI of the accompanying notice.
OBJECT	If you so choose, you may object to the Settlement.

TO OBJECT TO THE SETTLEMENT, YOU MUST FILL OUT, SIGN, AND RETURN THIS FORM, POSTMARKED ON OR BEFORE [RESPONSE DEADLINE] TO PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS AT [SETTLEMENT ADMINISTRATOR'S ADDRESS].

IDENTIFYING INFORMATION

Please verify and/or complete any missing identifying information:

[NAME] Former Names (if any): _____

[LAST 4 DIGITS OF SOCIAL SECURITY NUMBER] _____

[ADDRESS LINE 1] _____

[ADDRESS LINE 2] _____

[TELEPHONE NUMBER] _____

THIS FORM IS TO BE USED ONLY IF YOU WANT TO OBJECT TO THE SETTLEMENT.

I object to the Settlement for the following reasons:

(Attach additional pages if necessary.)

Signed on _____

Signature: _____

EXHIBIT C

REQUEST FOR EXCLUSION FORM

Nicholas Mendoza v. Prosser Enterprise, Inc.
Case No. CVRI2203321

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be included in the Settlement, receive your share of the Settlement, and no action is required.
EXCLUDE YOURSELF	<u>Get no payment for the Settlement.</u> You will not receive any share of the Settlement and will not release the released claims as described in Section VI of the accompanying notice.
OBJECT	If you so choose, you may object to the Settlement.

TO EXCLUDE YOURSELF FROM THE SETTLEMENT YOU MUST FILL OUT, SIGN, AND RETURN THIS FORM, POSTMARKED ON OR BEFORE [RESPONSE DEADLINE] TO PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS AT [SETTLEMENT ADMINISTRATOR'S ADDRESS].

IDENTIFYING INFORMATION

Please verify and/or complete any missing identifying information:

[NAME] Former Names (if any): _____

[LAST 4 DIGITS OF SOCIAL SECURITY NUMBER] _____

[ADDRESS LINE 1] _____

[ADDRESS LINE 2] _____

[TELEPHONE NUMBER] _____

THIS FORM IS TO BE USED ONLY IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT. IF YOU WANT TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT, DO NOT SUBMIT THIS FORM.

By signing and completing the below, I agree to the following:

I do not want to participate in the Settlement of the *Nicholas Mendoza v. Prosser Enterprise, Inc.* (Case No. CVRI2203321). I understand by not participating and excluding myself from the Settlement, I will not receive an Individual Settlement Payment.

Signed on _____

Signature: _____