

Kevin Mahoney (SBN: 235367)
kmahoney@mahoney-law.net
Berkeh Alemzadeh (SBN: 324834)
balem@mahoney-law.net
MAHONEY LAW GROUP, APC
249 East Ocean Boulevard, Suite 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

Attorneys for Plaintiff HECTOR QUIROZ, as an individual and on behalf of all employees similarly situated,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

THE COUNTY OF SAN BERNARDINO

HECTOR QUIROZ, as an individual and
on behalf of all similarly situated
employees,

Plaintiff,

v.

INTERNATIONAL AEROSPACE
COATINGS, INC., a Washington
corporation; and DOES 1 through 50,
inclusive,

Defendant

Case No. Case No.: CIVDS1903315

Related Case: CIVSB2028053 (*Aguila v.
International Aerospace Coatings, Inc.*)

CLASS ACTION

**JOINT STIPULATION OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT AND RELEASE**

Assigned for all purposes to:
Hon. David Cohn, Dept. S26
Quiroz Complaint filed: January 31, 2019
Aguila Complaint filed: December 8, 2020

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 IT IS HEREBY STIPULATED, by and among Plaintiffs Hector Quiroz, and Francisco Aguila on
3 behalf of themselves, the Settlement Class Members, and Aggrieved Employees on the one hand,
4 and Defendant International Aerospace Coatings, Inc., and subject to the approval of the Court,
5 that the above-captioned action is hereby being compromised and settled pursuant to the terms
6 and conditions set forth in this Joint Stipulation of Class and Representative Action Settlement
7 and Release (the “Settlement”).

8 **1. DEFINITIONS**

9 Capitalized terms used in this Settlement shall have the meanings set forth below:

10 1.1. ““Aggrieved Employees" means all non-exempt employees, currently and
11 formerly employed by Defendant International Aerospace Coatings, Inc., in the State of
12 California during the period April 3, 2018 through July 31, 2022.

13 1.2. “Class Counsel” means Kevin Mahoney and Berkeh Alemzadeh of the Mahoney
14 Law Group, APC, who are representing the Plaintiffs, the Class, and the Aggrieved Employees
15 in the Quiroz and Aguila Actions.

16 1.3. “Class Counsel Award” means reasonable attorneys’ fees for Class Counsel’s
17 litigation and resolution of the *Quiroz* Action and *Aguila* Action in the amount of two hundred
18 forty-one thousand six hundred sixty-six dollars and sixty-six Cents (\$241,666.66) or (1/3rd of
19 the Gross Settlement Amount should the Gross amount change). Should the Gross Amount of
20 the Settlement increase pursuant to section 1.17, then Class Counsel’s Award shall also increase
21 based on the increased Gross Amount of the Settlement. The Court shall determine the amount of
22 the Class Counsel Award, and it shall be paid from the Gross Settlement Amount.

23 1.4. “Class Counsel Costs” means expenses incurred by Class Counsel for Class
24 Counsel’s litigation and resolution of the Quiroz Class Action and the Aguila Class Action, not
25 to exceed twenty-five thousand dollars (\$25,000.00). The Court shall determine the amount of
26 the Class Counsel Costs, and it shall be paid from the Gross Settlement Amount.

27 1.5. “Class Information” means information regarding Settlement Class Members and
28 Aggrieved Employees that Defendant International Aerospace Coatings, Inc., will in good faith

1 compile from its records and provide to the Settlement Administrator. Class Information shall be
2 provided as a Microsoft Excel spreadsheet and shall include: each Settlement Class Member's
3 and Aggrieved Employee's full name; last known address; last known home telephone number;
4 social security number; start and end dates of employment during the Class Period, and the total
5 number of workweeks each Settlement Class Member and Aggrieved Employee worked for
6 Defendant International Aerospace Coatings, Inc., during the Class Period. Because social
7 security numbers are included in the Class Information, the Claims Administrator shall maintain
8 the Class Information in confidence; access shall be limited to those with a need to use the Class
9 Information as part of the administration of the Settlement; and transmission shall be through use
10 of a secure, password-protected file.

11 1.6. "Class Period" means the period from January 31, 2015 July 31, 2022.

12 1.7. "Class Representative Enhancement Award(s)" means the amount that the Court
13 authorizes to be paid to the Class Representatives Hector Quiroz and Francisco Aguila, not to
14 exceed five thousand dollars (\$5,000.00) in total, or two thousand five hundred dollars
15 (\$2,500.00) each, in addition to their Individual Settlement Payment, for their service in
16 connection with being the Class Representatives. The Class Representative Enhancement Awards
17 shall be paid from the Gross Settlement Amount. Any portion of the requested Class
18 Representative Enhancement Awards that are not awarded to Plaintiffs shall be part of the Net
19 Settlement Amount.

20 1.8. "Court" means the Superior Court of the State of California for the County of San
21 Bernardino.

22 1.9. "Defendant" means International Aerospace Coatings, Inc., and all of its current
23 and former parents, owners, subsidiaries, predecessors and successors, and each of their
24 respective officers, directors, partners, shareholders and agents, and any other successors,
25 assigns, or legal representatives.

26 1.10. "Defendant's Counsel" means John Lattin of Ostergar Lattin Julander LLP.

27 1.11. "Effective Date" means the date that the Gross Settlement Amount is fully funded
28 pursuant to this Agreement.

1 1.12. "Employee Taxes" means the employee's share of any and all applicable federal,
2 state, and local payroll taxes on the portion of Participating Class Members' and Aggrieved
3 Employees' Individual Settlement Payment that constitutes wages. The Employee Taxes will
4 be paid out of the Net Settlement Amount.

5 1.13. "Employer Taxes" means the employer's share of any and all applicable federal,
6 state, and local payroll taxes on the portion of Participating Class Members' and Aggrieved
7 Employees' Individual Settlement Payment that constitutes wages. The Employer Taxes will be
8 paid separately by the Employer and shall not be paid out of the Gross Settlement Amount.

9 1.14. "Final Approval Hearing" means the hearing held by the Court, pursuant to class
10 action procedures and requirements, on the motion for final approval of the Settlement.

11 1.15. "Final Approval Date" means the date, which the Court grants final approval of
12 the Settlement.

13 1.16. "Final Judgment" means the Court's entry of an order of judgment in the Quiroz
14 and Aguila Actions following the Court's final approval of the Settlement.

15 1.17. "Gross Settlement Amount" means the maximum amount Defendant shall have to
16 pay in connection with this Settlement, by way of a common fund, which shall be inclusive of
17 all Individual Settlement Amounts to Participating Class Members and Aggrieved Employees,
18 Class Counsel Award, Class Counsel Costs, Settlement Administrator Costs, Class
19 Representative Enhancement Award, Employee Taxes, and PAGA Allocation. Subject to Court
20 approval and the terms of this Settlement, the Gross Settlement Amount Defendant shall be
21 required to pay is seven hundred twenty-five thousand dollars (\$725,000.00). No portion of the
22 Gross Settlement Amount will revert to Defendant, and the Settlement does not require
23 Participating Class Members to submit claims as a prerequisite to receiving their Individual
24 Settlement Payment. This settlement sum is based on Defendant's representation that the Class
25 and Aggrieved Employee size is approximately seven hundred four (704) individuals. Defendant
26 shall not be required to pay more than the Gross Settlement Amount as long as the Class and
27 Aggrieved Employee size does not increase by more than ten (10) percent. Should the class size
28 increase by ten (10%) or more, so shall the settlement increase proportionately. Under no other

1 circumstances shall Defendant be required to pay more than the Gross Settlement Amount except
2 as provided for in this Settlement.

3 1.18. “Individual Class Settlement Payment” means the amount payable to each
4 Participating Class Member, as calculated pursuant to Paragraph 3.22 of the Settlement, from the
5 Net Settlement Amount. Checks for Individual Class Settlement Payments will specifically
6 indicate that they are void if not negotiated within one hundred eight (180) days of their issuance.

7 1.21.1. “Individual PAGA Settlement Payment” means the amount payable to each
8 Aggrieved Employee, as calculated pursuant to Paragraph 3.22.1 of the Settlement, from the
9 amount of two thousand five hundred dollars (\$2,500.00), representing 25% of the PAGA
10 Allocation. (See definition of “Aggrieved Employees” in paragraph 1.11 above).

11 1.22. “LWDA PAGA Allocation” means seven thousand five hundred dollars
12 (\$7,500.00), representing 75% of the PAGA Allocation, and is the amount payable from the Gross
13 Settlement Amount to California’s Labor Workforce Development Agency.

14 1.23. “Net Settlement Amount” means the Gross Settlement Amount, less (i) the Class
15 Representative Payments approved by the Superior Court (not to exceed \$5,000.00); (ii) the Class
16 Counsel Fees Payment approved by the Superior Court (\$241,666.66 unless section 1.17 is
17 triggered and the Gross Settlement Amount increases); (iii) the Class Counsel Litigation Expenses
18 Payment approved by the Superior Court (not to exceed \$25,000.00) (iv) the PAGA Allocation
19 approved by the Superior Court (\$10,000.00); (v) the Settlement Administrator Payment
20 approved by the Superior Court (not to exceed \$15,000.00), (vi) any other fees or expenses (other
21 than Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment) incurred by
22 implementing the terms and conditions of this Agreement as approved by the Superior Court.

23 1.24. “Non-Participating Class Member” shall mean a Class Member who submits a
24 complete, valid and timely request to be excluded from the Class Settlement pursuant to the
25 instructions provided in the Class Notice and/or who has signed a release with Defendant to
26 resolve any claims as alleged in the *Quiroz* and/or *Aguila* Action or based facts as alleged in the
27 operative complaint and notice to the LWDA by Plaintiff *Quiroz*. Aggrieved Employees shall
28 still be entitled to receive his or her share of the PAGA allocation of the Settlement even if he or

1 she opts-out of the Class Settlement.

2 1.25. “Notice of Settlement” means the Notice of Proposed Class and Representative
3 Action Settlement (substantially in the form attached hereto as **Exhibit “A”**).

4 1.26. “Notice Packet” means the Notice of Proposed Class and Representative Action
5 Settlement, Notice of Estimated Individual Settlement Payment, and the Request for Exclusion.

6 1.27. “PAGA Allocation” means ten thousand dollars (**\$10,000.00**), allocated from the
7 Gross Settlement Amount for the compromise of claims for civil penalties pursuant to the Private
8 Attorneys General Act of 2004 (“PAGA”). Per California Labor Code section 2699(i), seven
9 thousand five hundred dollars (\$7,500.00), representing 75% of the PAGA Allocation, will be
10 paid to California’s Labor Workforce Development Agency. The remaining two thousand five
11 hundred dollars (\$2,500.00), representing 25% of the PAGA Allocation, shall be distributed to
12 Aggrieved Employees. (*See* definition of “Aggrieved Employees” in paragraph 1.1 above).

13 1.28. “PAGA Period” means April 3, 2018 through July 31, 2022.

14 1.29. “Participating Class Members” means all Settlement Class Members who do not
15 submit a valid and timely Request for Exclusion from the Class Settlement.

16 1.30. “Parties” means Plaintiff and Defendant collectively, and “Party” shall mean any
17 Plaintiff or any Defendant, individually.

18 1.31. “Plaintiffs” mean Hector Quiroz and Francisco Aguila collectively.

19 1.32. “Plaintiffs’ General Released Claims” means, in addition to the releases made by
20 Participating Class Members, Plaintiffs, on behalf of themselves, their heirs, successors, assigns,
21 executors, trustees, and estates, in exchange for the terms and conditions of this Agreement,
22 including the Class Representative Enhancement Awards requested or as otherwise authorized by
23 the Court, shall also, as of the Effective Date, fully and forever release the Released Parties, to
24 the full extent permitted by law, of and from any and all claims arising from his employment with
25 Defendant, known and unknown, asserted and unasserted, which Plaintiff had or may have had
26 against the Released Parties, whether sounding in tort, in contract, in law, in equity or otherwise,
27 and including but not limited to all claims for violation of any local, state, or federal statute, rule,
28 or regulation.

1 1.33. “Preliminary Approval Date” means the date the Court enters the Preliminary
2 Approval Order for the Settlement.

3 1.34. “Preliminary Approval Order” means the Proposed Order (filed concurrently with
4 this Settlement) for preliminary approval of the Settlement, as amended by the Court.

5 1.35. “Released Class Claims” means any and all known and unknown claims, debts,
6 liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, action or
7 causes of action contingent or accrued for, arising out of the factual allegations and claims
8 asserted in the Quiroz and Aguila Class Actions’ operative complaints including without
9 limitation, all wage and hour claims for unpaid wages including minimum wage payments,
10 failure to pay wages during employment, failure to pay overtime, failure to pay wages upon
11 termination, uniform maintenance costs, meal and rest break violations, wage statement
12 violations and penalties, waiting time penalties, restitution and other equitable relief,
13 disgorgement, conversion, unjust enrichment, civil and statutory penalties, interests, liquidated
14 damages, punitive damages, attorneys’ fees and costs, claims under California Labor Code
15 sections 201-203, 204, 212, 218.5, 223, 226, 226.3, 226.7, 226.8, 510, 512, 520, 1021.5, 1174,
16 1174.5, 1175, 1194, 1197, 1198, 2802, applicable Industrial Welfare Commission Wage Order,
17 claims under California Business & Professions Code sections 17200-17204, . This release shall
18 apply to all claims arising at any point between January 31, 2015 through July 31, 2022.

19 “Released PAGA Claims” means from all claims for PAGA penalties that were alleged,
20 or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative
21 Complaint and the PAGA Notice dated January 22, 2019. This release shall apply to all claims
22 arising at any point between April 3, 2018 through July 31, 2022. This release shall apply to all
23 claims arising at any point between “April 3, 2018 through July 31, 2022.” Even if a Class
24 Member chooses to “opt-out” of the Class Settlement, if he or she is considered an Aggrieved
25 Employee, he or she will be entitled to receive his or her PAGA Settlement payment and would
26 still be bound by the PAGA release.

27 1.36. “Released Parties” means International Aerospace Coatings, Inc., and all of its
28 current, former, and future parents, owners, subsidiaries, predecessors and successors, and all of

1 their agents, employees, officers, directors, spouses, partners, shareholders, agents, and any other
2 successors, assigns, or legal representatives, as well as any other individual or entity which could
3 be jointly liable with any of the following.

4 1.37. "Request for Exclusion" means a Settlement Class Member's completed Request
5 for Exclusion form to opt out of the Settlement postmarked on or before the Response Deadline
6 in the form substantially similar to that attached hereto as **Exhibit B**. Settlement Class Members
7 to whom Notice Packets are resent after having been returned undeliverable to the Claims
8 Administrator shall have an additional fourteen (14) days from the date of re-mailing or until the
9 Response Deadline has expired, whichever is later to submit a Request for Exclusion.

10 1.38. "Response Deadline" means the date sixty (60) days after the Claims
11 Administrator mails Notice Packets to Settlement Class Members, and shall be the last date on
12 which Settlement Class Members may: (a) postmark Requests for Exclusion from the Settlement,
13 or (b) postmark Objections to the Settlement. Settlement Class Members to whom Notice Packets
14 are resent after having been returned undeliverable to the Claims Administrator shall have an
15 additional fourteen (14) calendar days from the date of re-mailing or until the Response Deadline
16 has expired, whichever is later to submit an Objection to the Settlement or submit a Request for
17 Exclusion.

18 1.39. "Settlement" means the terms of this Joint Stipulation of Class and Representative
19 Action Settlement and Release.

20 1.40. "Settlement Administrator" means Phoenix Settlement Administrators.

21 1.41. "Settlement Administrator Costs" means the amount to be paid to the third-party
22 Claims Administrator to administer the Settlement, not to exceed fifteen thousand dollars
23 (\$15,000.00)

24 1.42. "Settlement Class Member(s)" or "Settlement Class" means all non-exempt
25 employees, currently and formerly employed by Defendant International Aerospace Coatings,
26 Inc., in the State of California during the period of January 31, 2015 through July 31, 2022.

27 1.43. The "Quiroz Action" shall mean the lawsuit entitled *Hector Quiroz v*
28 *International Aerospace, Coatings, Inc.*, and DOES 1 through 50, pending in the Superior Court

1 of the State of California, County of San Bernardino, and designated as Case No.
2 CIVDS1903315.

3 1.44. The "Francisco Aguila Action" shall mean the lawsuit entitled Francisco Aguila
4 v International Aerospace Coatings, Inc., commenced on December 8, 2020, entitled *Aguila v.*
5 *International Aerospace, Coatings, Inc.*, and DOES 1 through 50, in the Superior Court of
6 California, County of San Bernardino, Case No. CIVSB2028053.

7 **2. RECITALS**

8 2.1. Class Certification. The Parties stipulate and agree to the certification of this
9 Action for purposes of this Settlement only. Should the Settlement not become final and effective,
10 class certification shall immediately be set aside (subject to further proceedings on motion of any
11 party to certify or deny certification thereafter), the Settlement shall be deemed null and void, and
12 will be of no force or effect whatsoever, and will not be referred to or utilized for any purpose
13 whatsoever. The Parties' willingness to stipulate to class certification as part of the Settlement
14 shall have no bearing on and shall not be admissible in or considered in connection with, the issue
15 of whether a class should be certified in a non-settlement context in this Action, and shall have
16 no bearing on and shall not be admissible or considered in connection with the issue of whether
17 a class should be certified in any other lawsuit.

18 2.2. Procedural History. On January 31, 2019, Plaintiff Hector Quiroz, a former
19 employee of Defendant International Aerospace, Coatings, Inc., filed the *Quiroz* Class Action in
20 the Superior Court of California for the County of San Bernardino as a proposed class action on
21 behalf of all current and former non-exempt California employees of Defendant International
22 Aerospace, Coatings, Inc. Plaintiff Quiroz alleged that Defendant International Aerospace,
23 Coatings, Inc., (1) failure to pay wages; (2) failure to provide meal periods; (3) failure to provide
24 rest periods; (4) failure to pay wages due at separation of employment; (5) failure to provide
25 accurate and itemized wage statements, (6) failure to reimburse for necessary business
26 expenditures; and (7) violation of Business and Professions Code section 17200 et seq. Mr.
27 Quiroz' complaint is made on behalf of herself and all non-exempt, hourly-paid employees
28 currently and/or formerly employed by Defendant, in the State of California during the Class

1 Period (“Class Members”).

2 On April 3, 2019, Mr. Quiroz sent a letter to the Labor Workforce and Development
3 Agency (“LWDA”) notifying them of his intent to file a lawsuit on behalf of himself and all
4 Aggrieved Employees. On April 3, 2019, Mr. Quiroz filed a first amended complaint adding an
5 eighth (8) cause of action for violations of the Private Attorneys General Act (“PAGA”) - Labor
6 Code section 2698, etc.

7 On December 3, 2020, Plaintiff Francisco Aguila (“Mr. Aguila”) filed a class action
8 complaint against Defendant alleging: (1) failure to pay wages; (2) failure to provide meal
9 periods; (3) failure to provide rest periods; (4) failure to pay wages due at separation of
10 employment; (5) failure to provide accurate and itemized wage statements, and (6) violation of
11 Business and Professions Code section 17200 et seq.

12 2.3. Settlement Negotiations. On July 21, 2021, the Parties participated in a private
13 mediation session with mediator Hon. Carl West (Ret.), a well-respected, experienced mediator
14 in the field of wage and hour class actions, however, the Parties were unable to resolve the matter
15 at that time. On April 4, 2022, the Parties attended a second mediation with mediator Mark
16 LeHocky. Prior to the mediation, Class Counsel conducted extensive formal and informal
17 discovery and investigation during the prosecution of the Quiroz Action. The informal discovery
18 and investigation included, among other things: (1) inspection and analysis of employee
19 documents and data, including personnel files, time and payroll records, employment policies and
20 procedures, and other relevant documents; (2) evaluation of legal positions taken by Defendant;
21 (3) evaluation of potential class-wide damages and PAGA penalties; and (4) review and research
22 of applicable law with respect to the claims and potential defenses brought by Defendant. Class
23 Counsel has vigorously prosecuted this Class Action, and Defendant has vigorously defended it.
24 The Parties have engaged in sufficient discovery and investigation to assess the relative merits of
25 the claims and contentions of the Parties. Based on this information and the settlement discussions
26 during the mediation conducted at arm’s length and settlement discussions, on April 6, 2022, the
27 Parties came to an agreement to settle all matters based on a mediator’s proposal. The
28 settlement is the result of an informed and detailed evaluation of the potential liability of total

1 exposure in relation to the costs and risks associated with continued litigation of the Quiroz and
2 Aguila Actions.

3 2.4. Benefits of Settlement to Settlement Class Members. Plaintiffs and Class Counsel
4 recognize the length of continued proceedings necessary to litigate their disputes through
5 certification, trial, and any possible appeal. Plaintiffs and Class Counsel have also taken into
6 account the uncertainty and risk of the outcome of further litigation, the difficulties and delays
7 inherent in such litigation, including, but not limited to, the risks related to a contested motion for
8 class certification, and the risks related to liability raised by the issues in this case. Plaintiffs and
9 Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims
10 asserted in the Quiroz Action and Aguila Action and the difficulties in establishing damages for
11 the Settlement Class Members. Plaintiffs and Class Counsel have also taken into account
12 Defendant's agreement to enter into a settlement that confers substantial relief upon Settlement
13 Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that this
14 Settlement is a fair, adequate, and reasonable, and is in the best interests of the Settlement Class
15 Members and Similarly Aggrieved Employees.

16 2.5. Defendant's Denial of Wrongdoing and Liability and Reasons for Settlement.
17 Defendant contends that the Settlement Class Members were properly and timely paid all wages
18 owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and
19 were provided meal and rest periods as required under California law. However, Defendant has
20 concluded that any further defense of this litigation would be protracted and expensive for all
21 Parties. Substantial amounts of time, energy and resources of Defendant has been and, unless this
22 Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff
23 and Settlement Class Members. Defendant has also taken into account the risks of further
24 litigation in reaching their decision to enter into this Settlement. Nonetheless, Defendant has
25 concluded that further proceedings in the Quiroz Action and Aguila Action would be protracted
26 and expensive and that it is desirable that both the Quiroz Action and Aguila Action be fully and
27 finally settled in the manner and upon the terms and conditions set forth in this Settlement in order
28 to dispose of burdensome and protracted litigation, to permit the operation of Defendant's

1 business without further expensive litigation and the distraction and diversion of its personnel
2 with respect to matters at issue in Quiroz Action and Aguila Action . Defendant has also taken
3 into account the uncertainty and risks inherent in any litigation, especially in complex cases such
4 as this Action. Defendant has therefore determined that it is desirable and beneficial to them that
5 Quiroz Action and Aguila Action be settled in the manner and upon the terms and conditions set
6 forth in this Settlement.

7 2.6. No Admissions. The Parties understand and agree that this Settlement is the result
8 of a good faith compromise of disputed claims and allegations, and Defendant is entering into
9 this Settlement Agreement solely to resolve doubtful and disputed matters. No part of this
10 Settlement Agreement or any conduct or written or oral statements made in connection with this
11 Settlement, where or not the Settlement Agreement is finally approved and/or consummated,
12 may be offered as or construed to be an admission or concession of any kind by either of any of
13 the Parties. In particular, but without limiting the generality of the foregoing, nothing about this
14 Settlement or Settlement Agreement shall be offered or construed as an admission that
15 Defendant has violated any of their obligations under the California Labor Code, or of liability
16 in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever on the part of
17 Defendant and/or Released Parties. In addition, this Settlement Agreement shall not be offered
18 or be admissible in evidence against any of the Parties or any of the Released Parties, except in
19 any action or proceeding brought by or against Plaintiff, the Class, Class Members, or Defendant
20 to enforce its terms, or by Defendant in defense of any claims brought by Plaintiffs, the Class,
21 Class Members. The provision of this paragraph shall become effective when this Settlement is
22 signed and shall be binding on the Parties and their counsel regardless of whether the Settlement
23 Agreement is preliminarily and/or finally approved or terminated for any reason, or rendered
24 null and void.

25 2.7. Settlement Class Members' Claims. Plaintiffs claim that the Released Claims
26 have merit and give rise to liability on the part of Defendant. This Settlement is a compromise
27 of disputed claims. Nothing contained in this Settlement and no documents referred to herein,
28 nor any action taken to carry out this Settlement may be construed or used as an admission by

1 or against the Settlement Class Members or Class Counsel as to the merits or lack thereof of the
2 claims asserted.

3 2.8. Defendant's Defenses. Defendant has denied and continues to deny each and all
4 of the allegations, claims, and contentions alleged by Plaintiff in the Quiroz Action and the
5 Aguila Action. Defendant has expressly denied and continue to deny all charges of wrongdoing
6 or liability against them arising out of any of the conduct, statements, acts, or omissions alleged
7 in the Quiroz Action and the Aguila Action and has dealt legally and fairly with Plaintiffs and
8 Settlement Class Members and Similarly Aggrieved Employees. Defendant further denies that,
9 for any purpose other than settling the Quiroz Action and the Aguila Action, these claims are
10 appropriate for class or representative treatment.

11 2.9. Gross Amount Payable by Defendant. Under the terms of this Settlement, the
12 gross amount payable by Defendant shall not exceed the Gross Settlement Amount of seven
13 hundred twenty thousand dollars (\$725,000.00) except as provided by this Agreement, **exclusive**
14 **of the normal employer's share of any payroll taxes attributable to the Settlement** Share
15 payments allocated to wages. Employer shall pay the employer's share of taxes separate and
16 apart from the Gross Settlement Amount.

17 **3. TERMS OF SETTLEMENT**

18 The Parties agree as follows:

19 3.1. Binding Settlement. This Settlement shall bind the Parties and all Participating
20 Class Members, subject to the terms and conditions hereof and the Court's approval.

21 3.2. Release as To Plaintiffs and All Settlement Class Members.

22 3.2.1. Release as to All Settlement Class Members. As of the Effective Date,
23 all Settlement Class Members, including Plaintiffs, who do not opt out
24 of the Settlement, will be deemed to have fully, finally and forever
25 released, settled, compromised, relinquished, and discharged the
26 Released Parties from the Released Class Claims for the period of
27 January 31, 2015 through July 31, 2022. Settlement Class Members,
28

1 including Plaintiffs, who do not opt out of the Settlement will be deemed
2 to have released any further attempt, by lawsuit, administrative claim or
3 action, arbitration, demand, or other action of any kind by each and all
4 of the Settlement Class Members (including participation to any extent
5 in any class or collective action), to obtain recovery against the
6 Defendant that is encompassed in the Released Class Claims during both
7 the Class Period and Representative Period for harms arising during the
8 Class Period.

9 3.2.1.1. Release as to Plaintiffs and All Aggrieved Employees. As of the
10 Effective Date, all Aggrieved Employees, including Plaintiffs, regardless
11 of whether they opt out of the Class Settlement, will be deemed to have
12 fully, finally and forever released, settled, compromised, relinquished,
13 and discharged the Released Parties from the Released PAGA Claims for
14 the period of April 3, 2018 through July 31, 2022, for the Released
15 PAGA Claims based on Plaintiff's Notice to the LWDA and the factual
16 allegations in the operative complaint.

17 3.2.2. Release as To Plaintiffs. As of the Effective Date, Plaintiffs will be
18 deemed to have fully, finally and forever released, settled, compromised,
19 relinquished, and discharged any and all of Plaintiffs' General Released
20 Claims against the Released Parties. With respect to the Plaintiffs'
21 General Released Claims only, Plaintiffs shall be deemed to have, and
22 by operation of the Final Judgment shall have, expressly waived and
23 relinquished, to the fullest extent permitted by law, the provisions, rights,
24 and benefits of section 1542 of the California *Civil Code*, or any other
25 similar provision under federal or state law, which section provides:

26 *A general release does not extend to claims which the creditor does not*
27 *know or suspect to exist in his or her favor at the time of executing the*
28

1 *release, which if known by him or her must have materially affected his*
2 *or her settlement with the debtor.*

3 Plaintiffs may hereafter discover facts in addition to or different from those they
4 now know or believe to be true with respect to the subject matter of the Plaintiffs' General
5 Released Claims, but upon the Effective Date, shall be deemed to have, and by operation of the
6 Final Judgment shall have, fully, finally, and forever settled and released any and all of the
7 Plaintiffs' General Released Claims, whether known or unknown, suspected or unsuspected,
8 contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of
9 law or equity now existing or coming into existence in the future, including, but not limited to,
10 conduct that is negligent, intentional, with or without malice or a breach of any duty, law or rule,
11 without regard to the subsequent discovery or existence of such different or additional facts.
12 Plaintiffs agree not to sue or otherwise make a claim against any of the Released Parties for
13 Plaintiffs' General Released Claims.

14
15 3.3. **Tax Liability.** The Parties understand and agree that the Parties are not providing
16 tax or legal advice. Participating Class Members will remain responsible for any Employee
17 Taxes. Participating Class Members will assume any employee tax obligations or consequences
18 that may arise from this Settlement and should consult with a tax expert if they have questions.
19 However, Individual Settlement Payments will be allocated as follows: **twenty percent (20%) as**
20 **wages (a W-2 will be issued)** and **eighty percent (80%) as interest and penalties** (a 1099 will be
21 issued). Any required payroll deductions will be based on this apportionment. The Parties agree
22 that, in the event that any taxing body determines that additional employee taxes are due from
23 any Participating Class Member, such Participating Class Member assumes all responsibility
24 for the payment of such taxes.

25 3.3.1. Any Non-Participating Class Member (who opted out of Class
26 Settlement) who is also an Aggrieved Employee will receive an
27 Individual PAGA Settlement Payment (defined under Section 1.21.1)
28 which will be classified as penalties without any payroll deductions for

1 which a Form 1099 will be issued. The Parties agree that, in the event
2 that any taxing body determines employee taxes are due from any
3 Aggrieved Employee, such Aggrieved Employee assumes all
4 responsibility for such taxes.

5 3.4. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
6 of this Settlement, and no written communication or disclosure between or among the Parties,
7 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any
8 such communication or disclosure constitute or be construed or be relied upon as, tax advice
9 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
10 amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own,
11 independent legal and tax counsel for advice (including tax advice) in connection with this
12 Settlement, (b) has not entered into this Settlement based upon the recommendation of any other
13 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
14 communication or disclosure by any attorney or advisor to any other party to avoid any tax
15 penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any
16 other party has imposed any limitation that protects the confidentiality of any such attorney's or
17 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
18 by the acknowledging party of the tax treatment or tax structure of any transaction, including
19 any transaction contemplated by this Settlement.

20 3.5. Settlement Approval and Implementation Procedures. As part of this Settlement,
21 the Parties agree to the following procedures for obtaining the Court's preliminary approval of
22 the Settlement, certifying the Settlement Class, notifying Settlement Class Members of the
23 Settlement, obtaining the Court's final approval of the Settlement, and processing the Individual
24 Settlement Payments.

25 3.6. Stipulation to File a Second Amended Complaint. Plaintiff Quiroz will file a
26 Second Amended Complaint to include the Aguila Plaintiff, so as to efficiently resolve both
27 matters through this Settlement. Plaintiffs will take all acts necessary to obtain the dismissal of
28 the claims made under the Private Attorney General Act ("PAGA"), per the requirements set

1 forth in Labor Code Section 2699(l). The Parties will cooperate fully in requesting the dismissal
2 of the PAGA claims by the Court and Labor and Workforce Development Agency (LWDA).

3 3.7. Preliminary Approval and Certification. As soon as practicable after execution of
4 this Settlement and the filing of a Second Amended Complaint, the Parties will jointly submit
5 this Settlement to the Court for its preliminary approval. Such submission will include this
6 Settlement, the proposed Notice Packet, the proposed Preliminary Approval Order, and any,
7 memoranda and evidence as may be necessary for the Court to determine that this Settlement is
8 fair, adequate, and reasonable. The Parties agree to request the Court to enter an order
9 conditionally certifying the Settlement Class after the preliminary approval hearing, in
10 accordance with California Rules of Court, Rule 3.769(c).

11 3.8. Class Information. No more than twenty-one (21) calendar days after the entry of
12 the Preliminary Approval Order, Defendant International Aerospace Coatings, Inc., shall
13 provide the Claims Administrator with the Class Information for purposes of mailing Notice
14 Packets to Settlement Class Members, including: 1. Class Member's full name; 2. Class
15 Member's last known address; 3. Class Member's last four digits of social security number; 4.
16 Class Member's employee identification number; and based on Defendant's payroll records, the
17 Class Member's total number of workweeks. The Settlement Administrator shall use
18 commercially reasonable efforts to secure the data provided by Defendant at all times so as to
19 avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by the
20 Settlement. The Settlement Administrator shall ensure that the Class Notice and any other
21 communications to Class Members shall not include the Class Members' social security number,
22 except for the last four digits, if necessary.

23 3.9. Notice by First Class U.S. Mail. Upon receipt of the Class Information, the
24 Settlement Administrator will perform a search on the National Change of Address database to
25 update the Settlement Class Members' addresses. No more than ten (10) calendar days after
26 receiving the Class Information from Defendant International Aerospace Coatings, Inc., as
27 provided herein, the Settlement Administrator shall mail copies of the Notice Packet to all
28

1 Settlement Class Members by regular First-Class U.S. Mail. The Settlement Administrator shall
2 exercise its best judgment to determine the current mailing address for each Settlement Class
3 Member. The address identified by the Settlement Administrator as the current mailing address
4 shall be presumed to be the best mailing address for each Settlement Class Member. The
5 Settlement Administrator shall conduct a search on the National Change of Address database to
6 update the Settlement Class Members' addresses immediately before mailing the Settlement
7 checks to Class Members.

8 3.10. Undeliverable Notices. Any Notice Packets returned to the Settlement
9 Administrator as undeliverable on or before the sixty (60) day Response Deadline shall be re-
10 mailed to the forwarding address affixed thereto. Settlement Class Members whose Notice
11 Packet, have been re-mailed, shall have an additional fourteen (14) calendar days from the re-
12 mailing or until the Response Deadline has expired, whichever is later.

13 3.11. For each Settlement Class Member whose Notice Packet is returned, there will be
14 one (1) skip trace by the Settlement Administrator. If an updated mailing address is identified,
15 the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member.
16 One (1) supplemental Notice Packet shall be mailed to each Settlement Class Member whose
17 original Notice Packet is returned as undeliverable to the Settlement Administrator. Such re-
18 mailing shall be made within five (5) business days of the Settlement Administrator receiving
19 notice that the respective Notice Packet was undeliverable. Any requests by the Claims
20 Administrator for documents or information from Defendant International Aerospace Coatings,
21 Inc. must be responded to within a reasonable amount of time by counsel for Defendant
22 International Aerospace Coatings, Inc. It is the intent of the Parties that reasonable means be
23 used to locate the Settlement Class Members and apprise them of their rights.

24 3.12. Settlement Class Members to whom Notice Packets are resent after having been
25 returned undeliverable to the Settlement Administrator shall have an additional fourteen (14)
26 calendar days from the date of remailing or until the Response Deadline has expired, whichever
27 is later, to mail the Request for Exclusion or a Notice of Objection. Notice Packets that are resent
28 shall inform the recipient of this adjusted deadline. The date of the postmark on the return

1 envelope shall be the exclusive means used to determine whether a Settlement Class Member
2 has returned his or her Request for Exclusion on or before the adjusted deadline. If a Settlement
3 Class Member's Notice Packet is returned to the Settlement Administrator more than once as
4 undeliverable, then an additional Notice Packet shall not be re-mailed. In the event of a notice
5 being remailed, the recipient will have until fourteen (14) days after the remailing or the
6 Response Deadline, whichever is later to submit a Request for Exclusion or a Notice of
7 Objection.

8 3.13. Compliance with the procedures specified in paragraphs 3.9-3.12 of this
9 Settlement shall constitute due and sufficient notice to Settlement Class Members of this
10 Settlement and shall satisfy the requirement of due process. In the event the procedures set forth
11 herein are followed and the intended recipient of a Notice Packet still does not receive the Notice
12 Packet, the intended recipient will be a participating Class Member and will be bound by all
13 terms of the Settlement and the Order Granting Final Approval entered by the Court. Nothing
14 else shall be required of, or done by, the Parties, Class Counsel, and Defense Counsel to provide
15 notice of the proposed Settlement.

16 3.14. Disputes. Settlement Class Members will have the opportunity during the sixty
17 (60) day response period, should they disagree with Defendant International Aerospace
18 Coatings, Inc.'s records regarding their days worked during the Class Period, to provide
19 documentation and/or an explanation to show contrary days worked. A space will be provided
20 on the Notice of Settlement Payment for Class Members to raise such disputes. For a Class
21 Member's dispute to be considered, the Class Member must fully complete the Dispute form
22 included in the Notice, any documentation supporting the dispute, and timely return it to the
23 Settlement Administrator. Class Members will have sixty (60) days after the date the Notice
24 Packet is mailed by the Settlement Administrator to mail in a dispute, including any supporting
25 evidence the Class Member may have. In the event of a notice being remailed, the recipient will
26 have until fourteen (14) days after the remailing or the Response Deadline, whichever is later to
27 submit a Dispute, including, documentation and/or an explanation to show contrary days
28 worked. The date of the postmark of the return mailing envelope shall be the exclusive means

1 used to determine whether a dispute has been timely submitted to the Settlement Administrator.
2 If there is a dispute, the Settlement Administrator will consult with the Parties to determine
3 whether an adjustment is warranted. The Settlement Administrator shall determine the
4 eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this
5 Settlement. The Settlement Administrator's determination of the eligibility for and amount of
6 any Individual Settlement Payment shall be binding upon the Settlement Class Member and the
7 Parties.

8 3.15. Exclusions (Opt-Outs). The Notice Packet shall state that Settlement Class
9 Members who wish to exclude themselves from the Settlement must submit a Request for
10 Exclusion by the Response Deadline. The Request for Exclusion: (1) must contain their name
11 and address; (2) must be signed by the Settlement Class Member or an authorized representative;
12 and (3) must be postmarked by the Response Deadline and returned to the Settlement
13 Administrator at the specified address. If the Request for Exclusion does not contain the
14 information listed in (1)-(3), it will not be deemed valid for exclusion from this Settlement. If
15 a Settlement Class Member's Notice Packet is returned to the Settlement Administrator more
16 than once as undeliverable, then an additional Notice Packet shall not be re-mailed. Settlement
17 Class Members whose Notice Packet, have been re-mailed, shall have an additional fourteen
18 (14) calendar days from the re-mailing or until the Response Deadline has expired, whichever
19 is later, to submit a valid Request for Exclusion. The date of the postmark on the return-mailing
20 envelope shall be the exclusive means used to determine whether a Request for Exclusion has
21 been timely submitted. Any Settlement Class Member who requests to be excluded from the
22 Settlement will not be entitled to any recovery of the Class allocation under the Settlement and
23 will not be bound by the terms of the Settlement. However, Settlement Class Members shall still
24 be entitled to receive their share of the PAGA allocation of the Settlement. Settlement Class
25 Members who receive a Notice Packet, but fail to submit a valid and timely Request for
26 Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and
27 any Final Judgment entered in this Action if the Settlement is approved by the Court. At no
28 time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of

1 the Settlement Class to submit Requests for Exclusion from the Settlement. Class Counsel shall
2 not represent any Settlement Class Member with respect to any such Requests for Exclusion.
3 Settlement Class Members who submit a valid Request for Exclusion may not also submit a
4 Notice of Objection.

5 3.16. Objections. The Notice Packet shall state that Settlement Class Members who
6 wish to remain Class Members, but desire to object to the Settlement must not submit a Request
7 for Exclusion and must submit a written statement of objection (“Notice of Objection”) by the
8 Response Deadline to the Settlement Administrator. The Notice of Objection must be signed by
9 the Settlement Class Member or his or her authorized representative and state: (1) the full name
10 of the Settlement Class Member; (2) if possible, the dates of employment of the Settlement Class
11 Member; and, (3) whether the Settlement Class Member intends to appear at the Final Approval
12 Hearing. The Notice of Objection must be postmarked by the Response Deadline and returned
13 to the Settlement Administrator at the specified address. Settlement Class Members whose
14 Notice Packet, have been re-mailed, shall have an additional fourteen (14) calendar days from
15 the re-mailing or until the Response Deadline has expired, whichever is later, to submit a Notice
16 of Objection. Within five (5) days of receiving a notice of objection from a Settlement Class
17 Member, the Claims Administrator shall forward the notice of objection to Class Counsel and
18 Defense Counsel. The Parties will thereafter lodge the Settlement Class Member’s Notice of
19 Objection with the Court. Written objections will be lodged with the Court even if the objector
20 does not state their intent to appear at the Final Approval Hearing. Settlement Class Members,
21 regardless of whether or not they submit a timely Notice of Objection, will have a right to appear
22 at the Final Approval Hearing, with or without an attorney, in order to have their objections
23 heard by the Court. At no time shall any of the Parties or their counsel seek to solicit or
24 otherwise encourage Settlement Class Members to file or serve written objections to the
25 Settlement or appeal from the Final Judgment. Class Counsel shall not represent any Settlement
26 Class Members with respect to any such objections. If an objector submits an objection without
27 stating whether the Class Member intends to appear at the hearing, the Parties will file the
28 Objection so that the Court may consider the Objection.

1 3.17. Plaintiffs' Participation. By executing this Settlement, Plaintiffs hereby stipulates
2 he will not object to or exclude himself from the Settlement in anyway.

3 3.18. No Solicitation of Settlement Objections or Exclusions. The Parties and their
4 counsel agree to use their best efforts to carry out the terms of this Settlement. At no time shall
5 any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class
6 Members to submit either written objections to the Settlement or Requests for Exclusion from
7 the Settlement, or to appeal from the Court's Final Judgment.

8 3.19. Funding of the Gross Settlement. This is a non-reversionary Settlement in which
9 Defendant is required to pay the entire Gross Settlement Amount within fourteen (14) days after
10 the Court grants final Approval. No portion of the Gross Settlement Amount will revert to
11 Defendant. No payments from the Gross Settlement Amount shall be made before the Gross
12 Settlement Amount is fully funded. No release in this Settlement shall be effective until the
13 Gross Settlement Amount is fully funded. All Defendant are jointly and severally liable for the
14 full funding of the Gross Settlement Amount. If Defendant defaults, Plaintiffs and all
15 Participating Class Members will be able to pursue all claims, and the Settlement becomes null
16 and void.

17 3.20. No more than five (5) business days after the Gross Settlement Amount is fully
18 funded, the Settlement Administrator will provide the Parties with an accounting of all
19 anticipated payments from the Gross Settlement Amount. The Net Settlement Amount shall be
20 calculated by deducting from the Gross Settlement Amount payments for (1) Class
21 Representative Enhancement Awards, as specified in this Settlement and approved by the Court;
22 (2) Class Counsel Award, as specified in this Settlement and approved by the Court; (3) Class
23 Counsel Costs, as specified in this Settlement and approved by the Court; (4) Settlement
24 Administration Costs, as specified in this Settlement and approved by the Court; and (5) the
25 LWDA PAGA Allocation, as specified in this Settlement and approved by the Court. The Net
26 Settlement Amount shall be distributed in Individual Settlement Payments in accordance with
27 Paragraphs 3.12.

28 3.21. Individual Settlement Payments. Each Participating Class Member shall be

1 eligible to receive an Individual Class Settlement Payment which is a share of the Net Settlement
2 Amount, based on the number of weeks worked by the Participating Class Member during the
3 Class Period, as a proportion of all weeks worked by all Participating Class Members during the
4 Class Period. Individual Settlement Payments shall be paid pursuant to the formula set forth in
5 Paragraph 3.22 below. Each Participating Class Member who is also an Aggrieved Employee
6 shall be eligible to receive an Individual PAGA Settlement Payment which is a share of the
7 twenty-five percent (25%) of the PAGA allocation, and shall be paid pursuant to the formula set
8 forth in Paragraph 3.22.1 below. Where a Class Member timely opt-out of the Class Action
9 Settlement, the Class Member shall still receive his or her portion of the Individual PAGA
10 Settlement Payment based on a proportion of the number of workweeks during the PAGA
11 period. Individual Settlement Payments shall be mailed by regular First-Class U.S. Mail to
12 Participating Class Members' last known mailing address no later than fifteen (15) calendar
13 days after the Gross Settlement Amount is fully funded. Individual Settlement Payments will
14 specifically indicate that they are void if not negotiated within one hundred eight (180) days of
15 their issuance. Individual Settlement Payments reflect settlement of a dispute regarding wages,
16 interest, and penalties. Individual Settlement Payments will be allocated as follows: twenty
17 percent (20%) as wages; and eighty percent (80%) as interest and penalties. The "wage" portion
18 of each Individual Settlement Payment will be reduced by Employee Taxes. The Claims
19 Administrator shall issue the appropriate tax documents associated with the Individual
20 Settlement Payments, including an IRS Form W-2 for the amounts allocated as "wages" and an
21 IRS Form 1099 for the amounts allocated as "interest" or "penalties."

22 3.22. Individual Settlement Payment Formula. After deducting the Class Counsel
23 Award and Class Counsel Costs, the LWDA PAGA Allocation, Class Representative
24 Enhancement Awards, and Claims Administration Costs, the remaining funds (the "Net
25 Settlement Amount"), of approximately four hundred thirty thousand eight hundred thirty-three
26 dollars and thirty-four cents (\$430,833.34) will be distributed as follows: To figure out the
27 "Individual Class Settlement Payment" Formula, the Settlement Administrator shall divide the
28 Net Settlement Amount by the total number of workweeks Participating Class Members worked

1 during the Class Period in order to determine the amount each Participating Class Member is
2 entitled to for each workweek he or she was employed by Defendant International Aerospace
3 Coatings, Inc. (the “Weekly Amount”) during the Class Period. The Settlement Administrator
4 will multiply the Weekly Amount by the estimated total number of workweeks that each
5 Participating Class Member worked during the Class Period. The product of each calculation
6 represents the gross Individual Class Settlement Payment for the respective Participating Class
7 Member. The Settlement Administrator will then deduct Employee Taxes attributable to wages
8 to arrive at the net Individual Settlement Payment for each respective Class Member.

9 3.22.1. To figure out the “Individual PAGA Settlement Payment” Formula, the
10 Claims Administrator shall divide the PAGA Allocation to be distributed
11 to Aggrieved Employees regardless of whether they opt-out of the Class
12 Settlement in the amount of two thousand five hundred dollars
13 (\$2,500.00) by the total number of workweeks Aggrieved Employees
14 worked during the PAGA Period in order to determine the amount each
15 Aggrieved Employees is entitled to for each workweek he or she was
16 employed by Defendant International Aerospace Coatings, Inc. (the
17 “Weekly Amount”) during the PAGA Period. The Settlement
18 Administrator will multiply the Weekly Amount by the estimated total
19 number of workweeks that each Aggrieved Employees worked during
20 the PAGA Period. The product of each calculation represents the gross
21 Individual PAGA Settlement Payment for the respective Aggrieved
22 Employees. Within twenty-one (21) calendar days after Preliminary
23 Approval, Defendant International Aerospace Coatings, Inc., shall
24 provide the Settlement Administrator with any information reasonably
25 necessary to perform the calculation of number of workweeks for each
26 Aggrieved Employees, and any other reasonably required information
27 the Settlement Administrator requests to perform the calculations
28 required under this Settlement. Defendant shall have no responsibility

1 for deciding the validity of any Individual Settlement Payment or any
2 other payments made pursuant to this Settlement, shall have no
3 involvement in or responsibility for the determination or payment of
4 Employee Taxes, and shall have no liability for any errors made with
5 respect to such Employee Taxes.

6 3.23. Settlement Class Members are not eligible to receive any compensation other than
7 the Individual Settlement Payment, and they may only receive an Individual Class Settlement
8 Payment if they do not submit a valid and timely Request for Exclusion to opt out of the
9 Settlement. Settlement Class Members who submit a valid and timely Request for Exclusion to
10 opt out of the Settlement, shall still be entitled to receive his or her portion of the PAGA
11 allocation based on a proportion of the number of workweeks during the PAGA period.
12 Plaintiffs, however, are also eligible to receive a Class Representative Enhancement Award.

13 3.24. If a check for an Individual Settlement Payment is returned to the Settlement
14 Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a
15 valid mailing address by performing a skip trace search. If another address is identified, the
16 Settlement Administrator shall mail the check to the newly identified address. If an Individual
17 Settlement Payment check is returned to the Settlement Administrator a second time as
18 undeliverable, the Settlement Administrator shall not attempt any further re-mailing of that
19 check. Any settlement checks that remain uncashed one hundred eighty (180) or more calendar
20 days after issuance shall be voided. The Settlement Administrator shall inform the Parties the
21 amount of funds left as a result of uncashed checks. The Claims Administrator shall forward all
22 voided settlement checks to the California State Controller's Office's Unclaimed Property
23 Division. The Claims Administrator shall also compile a list of the Participating Class
24 Members for whom their funds were deposited with the California State Controller's Office's
25 Unclaimed Property Division. In such event, the Participating Class Member shall nevertheless
26 remain bound by the Settlement. The Parties agree that good cause exists for the Court to
27 approve this distribution because the unclaimed funds are unclaimed wages of employees that
28

1 will be held by the State of California for the benefit of these employees, who may request
2 receipt of payment form the California State Controller's Office's Unclaimed Property Division.

3 3.25. Class Representative Enhancement Awards. Defendant agrees not to oppose or
4 object to any application or motion by Plaintiffs for a Class Representative Enhancement
5 Awards, not to exceed five thousand five hundred dollars (\$5,000.00) collectively, or two
6 thousand five hundred dollars (\$2,500.00) for Plaintiff Hector Quiroz and two thousand five
7 hundred dollars (\$2,500.00) for Plaintiff Francisco Aguila, as consideration for Plaintiffs time
8 and effort in bringing and prosecuting this matter. The Class Representative Enhancement
9 Awards shall be paid to Plaintiffs from the Gross Settlement Amount no later than fifteen (15)
10 calendar days after the Gross Settlement Amount is fully funded. The Settlement Administrator
11 shall issue an IRS Form 1099 — MISC to Plaintiffs for their Class Representative Enhancement
12 Awards. Plaintiffs shall be solely and legally responsible for payment of all applicable taxes on
13 their Class Representative Enhancement Awards and shall hold Defendant harmless from any
14 claim or liability for taxes, penalties, or interest arising as a result of the Class Representative
15 Enhancement Awards. The Class Representative Enhancement Awards shall be in addition to
16 Plaintiffs' Individual Settlement Payment as Participating Class Members. In the event that the
17 Court awards lesser amounts than the Class Representative Enhancement Awards requested,
18 then any portion of the requested amounts not awarded to Plaintiffs shall be added to the Net
19 Settlement Amount. Plaintiffs shall not have the right to revoke their agreement to the
20 Settlement on the grounds the Court did not approve any or all of his request for a Class
21 Representative Enhancement Awards.

22 3.26. Class Counsel Award and Costs. Defendant agrees not to oppose or object to any
23 application or motion by Class Counsel for a Class Counsel Award of 1/3rd of the Gross
24 Settlement amount or two hundred forty-one thousand six hundred sixty-six dollars and sixty-
25 six cents (\$241,666.66) (unless there is an increase of the Gross Settlement amount pursuant to
26 section 1.17) and Class Counsel Costs not to exceed twenty-five thousand dollars (\$25,000.00)
27 from the Gross Settlement Amount. Should the Gross Settlement amount increase, Class
28 Counsel shall be entitled to seek fees on the increased Gross Settlement amount. The Class

1 Counsel Award and Class Counsel Costs shall be paid no later than fifteen (15) calendar days
2 after the Gross Settlement Amount is fully funded. Class Counsel shall be solely and legally
3 responsible to pay all applicable taxes on the payments made pursuant to this paragraph. The
4 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the
5 payments made pursuant to this paragraph. This Settlement is not contingent upon the Court
6 awarding Class Counsel any particular amount in attorneys' fees and costs. Any amount
7 requested by Class Counsel for the Class Counsel Award and Class Counsel Costs and not
8 granted by the Court shall be part of the Net Settlement Amount.

9 3.27. PAGA Allocation. Subject to Court approval, the Parties shall allocate a total of
10 ten thousand dollars (\$10,000.00) from the Gross Settlement Amount for the compromise of
11 claims for civil penalties pursuant to PAGA (the "PAGA Allocation"). Per California Labor
12 Code section 2699(i), seven thousand five hundred dollars (\$7,500.00), representing 75% of the
13 PAGA Allocation, will be paid to California's Labor Workforce Development Agency. The
14 remaining two thousand five hundred dollars (\$2,500.00), representing 25% of the PAGA
15 Allocation, shall be distributed to Aggrieved Employees pursuant to the formula set forth in
16 Paragraph 3.22.1 above.

17 3.28. Defendant's Option to Terminate Settlement. If, after the Response Deadline and
18 before the Final Approval Hearing, five percent (5%) or more of the number of Settlement Class
19 Members submit timely and valid Requests for Exclusion from the Settlement, Defendant
20 International Aerospace Coatings, Inc. shall have, in its sole discretion, the option to terminate
21 this Settlement. Defendant International Aerospace Coatings, Inc. shall exercise its option to
22 terminate, if it wishes, prior to the Final Approval Hearing. If Defendant International Aerospace
23 Coatings, Inc. decides to void the Settlement, then the Settlement and conditional class
24 certification shall be considered void, and neither the Settlement, conditional class certification,
25 nor any of the related negotiations or proceedings, shall be of any force or effect, and the Parties
26 shall stand in the same position, without prejudice, as if this Settlement had been neither entered
27 into nor filed with the Court. Should Defendant International Aerospace Coatings, Inc. void the
28 Settlement under this paragraph, it shall be responsible for all Settlement Administration Costs.

1 3.29. Settlement Administration Costs. The Settlement Administrator shall be paid for
2 the costs of administration of the Settlement from the Gross Settlement Amount. Such costs of
3 administration are not to exceed fifteen thousand dollars (\$15,000.00), unless the court approves
4 a higher amount. No fewer than twenty (20) days prior to the Final Approval Hearing, the
5 Settlement Administrator shall provide the Parties with a statement detailing the costs of
6 administration. The Settlement Administrator, on Defendant's behalf, shall have the authority
7 and obligation to make payments, credits and disbursements, including payments and credits in
8 the manner set forth in this Settlement, to Participating Class Members, calculated in accordance
9 with the methodology set out in this Settlement and orders of the Court. The Parties agree to
10 cooperate in the administration of the Settlement and to make all reasonable efforts to control
11 and minimize the costs and expenses incurred in administration of the Settlement. The Parties
12 each represent they do not have any financial interest in the Settlement Administrator or
13 otherwise have a relationship with the Settlement Administrator that could create a conflict of
14 interest. The Settlement Administrator shall be responsible for: processing and mailing all
15 court-approved payments to the Plaintiffs, Class Counsel, Participating Class Members, and the
16 LWDA; printing and mailing the Notice Packets to the Settlement Class Members as called for
17 in this Settlement and ordered by the Court; receiving and reporting Notice of Objections and
18 Requests for Exclusion submitted by Settlement Class Members; providing declaration(s) as
19 necessary in support of preliminary and/or final approval of this Settlement; and other tasks as
20 the Parties mutually agree or the Court orders the Claims Administrator to perform. The
21 Settlement Administrator shall keep the Parties timely apprised of the performance of all
22 Settlement Administrator responsibilities. Any legally mandated tax reports, tax forms, tax
23 filings, or other tax documents required by administration of this Settlement shall be prepared
24 by the Settlement Administrator. Any expenses incurred in connection with such preparation
25 shall be Settlement Administration Costs. The Settlement Administrator shall be paid the
26 Settlement Administration Costs from the Gross Settlement Amount no later than fifteen (15)
27 calendar days after the Gross Settlement Amount is fully funded.

28 3.30. Final Approval Hearing. At a reasonable time following the Response Deadline,

1 the Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and
2 the Court shall determine amounts properly payable for (i) the Class Counsel Award, (ii) the
3 Class Counsel Costs, (iii) the Class Representative Enhancement Awards, (iv) the LWDA
4 PAGA Allocation; and (v) the Claims Administration Costs.

5 3.31. Entry of Final Judgment. If the Court approves this Settlement at the Final
6 Approval Hearing, the Parties shall request that the Court enter the Final Judgment after the
7 Gross Settlement Amount has been fully funded, with the Court retaining jurisdiction over the
8 Parties to enforce the terms of the judgment. If the Court grants final approval to the Settlement,
9 notice of Final Approval shall be posted on the Settlement Administrator's website, at
10 www.phoenixclassaction.com.

11 3.32. Nullification of Settlement. In the event: (i) the Court does not enter the
12 Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of
13 the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided
14 herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall
15 be null and void and any order or judgment entered by the Court in furtherance of this Settlement
16 shall be treated as void from the beginning. In such a case, the Parties and any funds to be
17 awarded under this Settlement shall be returned to their respective statuses as of the date and
18 time immediately prior to the execution of this Settlement, and the Parties shall proceed in all
19 respects as if this Settlement had not been executed, except that any costs and fees already
20 incurred by the Settlement Administrator shall be paid jointly by the Parties. In the event an
21 appeal is filed from the Court's Final Judgment, or any other appellate review is sought,
22 administration of the Settlement shall be stayed pending final resolution of the appeal or other
23 appellate review, and any other payments required hereunder by Defendant will not be paid
24 pending the completion and final resolution of the appeal, and any payment thereafter will: (1)
25 occur only if the Order Granting Final Approval is upheld after all appeals; and (2) be in a
26 manner that is provided for in the Settlement and in the Order Granting Final Approval.

27 3.33. No Admission by the Parties. Defendant denies any and all claims alleged in this
28 Action and deny all wrongdoing whatsoever. This Settlement is not a concession or admission,

1 and shall not be used against Defendant as an admission or indication, with respect to any claim,
2 of any fault, concession, or omission by Defendant. Neither this Settlement, nor any of its terms
3 and conditions, nor any of the negotiations connected with it, is a concession or admission, and
4 none shall be used against Defendant as an admission or indication with respect to any claim of
5 any fault, concession, or omission by Defendant or that class certification is proper under the
6 standard applied to contested certification motions. The Parties stipulate and agree to the
7 certification of the proposed class for settlement purposes only. The Parties further agree that
8 this Settlement will not be admissible in this or any other proceeding as evidence that either: (i)
9 a class action should be certified or (ii) Defendant is liable to Plaintiff or any Class Member,
10 other than according to the terms of this Settlement.

11 3.34. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning
12 the interpretation, calculation or payment of settlement claims, or other disputes regarding
13 compliance with this Settlement shall be resolved as follows:

14 3.35. If Plaintiffs or Class Counsel, on behalf of Plaintiffs or any Settlement Class
15 Members, or Defendant, at any time believe that the other Party or Parties have breached or
16 acted contrary to the Settlement, that Party shall notify the other Party or Parties in writing of
17 the alleged violation. Upon receiving notice of the alleged violation or dispute, the responding
18 Party shall have ten (10) days to correct the alleged violation and/or respond to the initiating
19 Party with the reasons why the Party disputes all or part of the allegation.

20 3.35.1. If the response does not address the alleged violation to the initiating
21 Party's satisfaction, the Parties shall negotiate in good faith for up to ten
22 (10) days to resolve their differences.

23 3.35.2. If thereafter, the Parties still cannot resolve the dispute, the Parties shall
24 utilize the services of Mark LeHocky, Esq. (Mediator) in a good-faith
25 attempt to mediate and resolve the dispute.

26 3.35.3. If the Parties are unable to resolve their differences after twenty (20)
27 days, either Party may file an appropriate motion for enforcement with
28 the Court. The prevailing party shall be entitled to recover attorney fees

1 and costs as a result of having to enforce this Agreement.

2 3.36. Exhibits and Headings. The terms of this Settlement include the terms set forth in
3 Exhibits A and B, which are attached to this Settlement and incorporated by this reference as
4 though fully set forth in this paragraph. Any Exhibits to this Settlement are an integral part of
5 the Settlement. The descriptive headings of any paragraphs or sections of this Settlement are
6 inserted for convenience of reference only and do not constitute a part of this Settlement.

7 3.37. Interim Stay of Proceedings. The Parties agree to stay all proceedings in Quiroz
8 Action and Aguila Action and thereafter implement and complete the Settlement. However,
9 Plaintiff Quiroz, shall file a Second Amended Complaint to include Plaintiff Aguila. Thereafter,
10 The Aguila Action shall be dismissed without prejudice.

11 3.38. Amendment or Modification. This Settlement may be amended or modified only
12 by a written instrument signed by all the Parties and counsel for all Parties or their successors-
13 in-interest.

14 3.39. Entire Settlement. This Settlement and any attached Exhibits constitute the entire
15 agreement among these Parties, and no oral or written representations, warranties or
16 inducements have been made to any Party concerning this Settlement or its exhibits, other than
17 the representations, warranties and covenants contained and memorialized in the Settlement and
18 its exhibits. No other prior or contemporaneous written or oral agreements may be deemed
19 binding on the Parties.

20 3.40. Authorization to Enter into Settlement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this
22 Settlement and to take all appropriate actions required or permitted to be taken by such Parties
23 pursuant to this Settlement to effectuate its terms, and to execute any other documents required
24 to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each
25 other and use their best efforts to affect the implementation of the Settlement. In the event the
26 Parties are unable to reach agreement on the form or content of any document needed to
27 implement the Settlement, or on any supplemental provisions that may become necessary to
28 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve

1 such disagreement. The person signing this Settlement on behalf of Defendant International
2 Aerospace Coatings, Inc. represents and warrants that he or she is authorized to sign this
3 Settlement on behalf of Defendant International Aerospace Coatings, Inc. Plaintiffs Hector
4 Quiroz and Francisco Aguila represents and warrants that they are authorized to sign this
5 Settlement and that he has not assigned any claim, or part of a claim, covered by this Settlement
6 to a third-party.

7 3.41. Binding on Successors and Assigns. This Settlement shall be binding upon, and
8 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9 3.42. No Prior Assignments. The Parties and their counsel represent, covenant, and
10 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
11 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
12 demand, action, cause of action or right herein released and discharged.

13 3.43. California Law Governs. All terms of this Settlement and the exhibits hereto shall
14 be governed by and interpreted according to the laws of the State of California.

15 3.44. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
16 Settlement is a fair, adequate, and reasonable settlement of the Quiroz Action and the Aguila
17 Action and have arrived at this Settlement after extensive arms-length negotiations, taking into
18 account all relevant factors, present and potential.

19 3.45. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h),
20 the Parties agree that the Court shall retain jurisdiction with respect to the interpretation,
21 implementation, and enforcement of the terms of this Settlement and all orders and judgments
22 entered in connection therewith, and the Parties and their counsel hereto submit to the
23 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing this
24 Settlement and all orders and judgments entered in connection therewith.

25 3.46. Invalidity of Any Provision. Before declaring any provision of this Settlement
26 invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent
27 possible, consistent with applicable precedents.

28 3.47. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to

1 class certification for purposes of this Settlement only.

2 3.48. Cooperation. The Parties agree to cooperate fully with one another to accomplish
3 and implement the terms of this Settlement. Such cooperation shall include, but not be limited
4 to, execution of such other documents and the taking of such other action as may be reasonably
5 necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall use their
6 best efforts, including all efforts contemplated by this Settlement and any other efforts that may
7 become necessary by Court order, or otherwise, to effectuate this Settlement and its terms.

8 3.49. Publicity. Plaintiffs and Class Counsel agree that they will not issue any press
9 releases, initiate any contact with the press, respond to any press inquiry, or have any
10 communication with the press about the Quiroz Action, the Aguila Action and/or the fact,
11 amount, or terms of the Settlement. However, for marketing purposes, Class Counsel may refer
12 to the settlement amount and the nature of the case without identifying any of the Parties directly
13 or indirectly. Before the date of the filing of the motion for preliminary approval of the
14 Settlement, Plaintiffs and Class Counsel will not initiate any contact with Settlement Class
15 Members about the Settlement, except that: (a) Class Counsel, if contacted by a Settlement
16 Class Member, may respond that a settlement has been reached and that the details will be
17 communicated in a forthcoming Court-approved notice; and (b) Plaintiffs, if contacted by a
18 Settlement Class Member, may respond only that the Settlement Class Member should contact
19 Class Counsel. Neither Plaintiffs nor Class Counsel shall hold a press conference or otherwise
20 seek to affirmatively contact the media about the Settlement. If contacted by the media regarding
21 the Settlement, Class Counsel shall state, "It is a fair settlement, and we are happy with the
22 results." Additionally, no Party or their counsel shall disparage the Settlement. Nothing in this
23 paragraph shall prevent Class Counsel from carrying out their duties.

24 3.50. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
25 and conditions of this Settlement. Accordingly, this Settlement will not be construed more
26 strictly against one party than another merely by virtue of the fact that it may have been prepared
27 by counsel for one of the Parties, it being recognized that, because of the arm's-length
28 negotiations between the Parties, all Parties have contributed to the preparation of this

1 Settlement.

2 3.51. Representation by Counsel. The Parties acknowledge that they have been
3 represented by counsel throughout all negotiations that preceded the execution of this
4 Settlement, and that this Settlement has been executed with the consent and advice of counsel,
5 and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are
6 no liens on the Settlement Agreement.

7 3.52. All Terms Subject to Final Court Approval. All amounts and procedures described
8 in this Stipulation are subject to final Court approval.

9 3.53. Notices. Unless otherwise specifically provided, all notices, demands or other
10 communications in connection with this Settlement shall be: (1) in writing; (2) deemed given
11 on the third business day after mailing; and (3) sent via United States registered or certified mail,
12 return receipt requested, addressed as follows:

13
14 **To Plaintiffs:**

15 Kevin Mahoney, Esq.
16 kmahoney@mahoney-law.net
17 Berkeh Alemzadeh, Esq.
18 balem@mahoney-law.net
19 MAHONEY LAW GROUP, APC
20 249 East Ocean Boulevard, Suite 814
21 Long Beach, CA 90802
22 Telephone: (562) 590-5550
23 Facsimile: (562) 590-8400

14 **To Defendants:**

15 John E. Lattin
16 jlattin@ostergar.com
17 OSTERGAR LATTIN JULANDER LLP
18 9110 Irvine Center Drive
19 Irvine, CA 92618
20 Telephone: (949) 305-4590
21 Facsimile: (949) 305-4591

21 3.54. Execution by Settlement Class Members. It is agreed that it is impossible or
22 impractical to have each Settlement Class Member execute this Settlement. The Notice of
23 Settlement will advise all Settlement Class Members of the binding nature of the release and
24 such shall have the same force and effect as if each Settlement Class Member executed this
25 Settlement.

26 3.55. Execution by Plaintiff and Defendant. Plaintiffs and Defendant, by signing this
27 Settlement, are bound by the terms herein.

28 3.56. Fair, Adequate and Reasonable Settlement. The Parties hereto agree that the terms

1 and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations
2 between the Parties and that this Settlement shall not be construed in favor of or against any of
3 the Parties by reason of their participation in the drafting of this Settlement.

4 3.57. Binding Agreement. The Parties warrant that they understand and have full
5 authority to enter into this Settlement, and further intend that this Settlement will be fully
6 enforceable and binding on all Parties, and agree that it will be admissible and subject to
7 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
8 provisions that otherwise might apply under federal or state law.

9 3.58. Counterparts. This Settlement shall become effective upon its execution by all of
10 the undersigned. Plaintiff, Class Counsel, Defendant, and Defense Counsel may execute this
11 Settlement in counterparts, and execution of counterparts shall have the same force and effect
12 as if each had signed the same instrument. Copies of the executed Settlement shall be effective
13 for all purposes as though the signatures contained therein were original signatures.
14

15
16 Dated: DATE _____, 2022

17 By: _____
18 Hector Quiroz

19
20 Dated: DATE 8-24-22, 2022

21 By: Francisco Aguila
22 Francisco Aguila

23 Dated: DATE _____, 2022

24 By: _____
25 Defendant International Aerospace
26 Coatings, Inc.
27
28

1 and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations
2 between the Parties and that this Settlement shall not be construed in favor of or against any of
3 the Parties by reason of their participation in the drafting of this Settlement.

4 3.57. Binding Agreement. The Parties warrant that they understand and have full
5 authority to enter into this Settlement, and further intend that this Settlement will be fully
6 enforceable and binding on all Parties, and agree that it will be admissible and subject to
7 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
8 provisions that otherwise might apply under federal or state law.

9 3.58. Counterparts. This Settlement shall become effective upon its execution by all of
10 the undersigned. Plaintiff, Class Counsel, Defendant, and Defense Counsel may execute this
11 Settlement in counterparts, and execution of counterparts shall have the same force and effect
12 as if each had signed the same instrument. Copies of the executed Settlement shall be effective
13 for all purposes as though the signatures contained therein were original signatures.
14

15 Dated: DATE 9-13, 2022

16 By: Hector Quiroz
17 Hector Quiroz

18
19
20 Dated: DATE _____, 2022

21 By: _____
22 Francisco Aguila

23 Dated: DATE _____, 2022

24 By: _____
25 Defendant International Aerospace
26 Coatings, Inc.
27
28

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

Settlement in counterparts, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Copies of the executed Settlement shall be effective for all purposes as though the signatures contained therein were original signatures.

Dated: DATE _____, 2022

By: _____
Hector Quiroz

Dated: DATE _____, 2022

By: _____
Francisco Aguila

Dated: DATE August 22, 2022

By:  _____
Defendant International Aerospace
Coatings, Inc.

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL APPROVAL

Hector Quiroz v. International Aerospace Coatings, Inc.

Superior Court of California for the County of San Bernardino, Case No. CIVDS1903315

As a non-exempt current and former employees of International Aerospace Coatings, Inc. in California from January 31, 2015 through the date of preliminary approval or July 31, 2022, you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement Fund.

You have received this Notice of Class Action Settlement because the records of International Aerospace Coatings, Inc. (“Defendant”) shows you are a “Class Member,” and therefore entitled to a payment from this class action Settlement. Class Members are all current and former non-exempt employees of Defendant who worked in the State of California from January 31, 2015 through the date of preliminary approval or July 31, 2022.

- The settlement resolves a class-action lawsuit, *Hector Quiroz v. International Aerospace Coatings, Inc.*, (the “Action”), which alleges that Defendant: ((1) failure to pay wages; (2) failure to provide meal periods; (3) failure to provide rest periods; (4) failure to pay wages due at separation of employment; (5) failure to provide accurate and itemized wage statements, (6) failure to reimburse for necessary business expenditures; and (7) violation of Business and Professions Code section 17200 et seq. On April 3, 2019, Mr. Quiroz filed a first amended complaint adding an eighth (8) cause of action for violations of the Private Attorneys General Act (“PAGA”) - Labor Code section 2698, etc. Based on these and other alleged Labor Code violations, Plaintiffs also seeks penalties under the California Labor Code Private Attorneys General Act (“PAGA”). On December 3, 2020, Plaintiff Francisco Aguila (“Mr. Aguila”) filed a class action complaint against Defendant alleging: (1) failure to pay wages; (2) failure to provide meal periods; (3) failure to provide rest periods; (4) failure to pay wages due at separation of employment; (5) failure to provide accurate and itemized wage statements, and (6) violation of Business and Professions Code section 17200 et seq. As a result of the settlement reached at mediation, on [insert date] Plaintiff Quiroz filed a Second Amended Complaint to add Plaintiff Aguila to his lawsuit and Plaintiff Aguila dismissed his class action complaint.

- On _____, the San Bernardino County Superior Court granted preliminary approval of this class action Settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contend that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING AND RECEIVE PAYMENT	Get a payment, and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit. Your request for exclusion must be postmarked by [insert date]. If you request exclusion, you will not receive compensation for the class claims and you will not

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

	<p>release the class claims through the settlement. However, if you worked during the PAGA period, you will still be mailed a check for the PAGA claims and you will still be bound by the release of the PAGA claims in the Settlement.</p>
<p>OBJECT TO THE SETTLEMENT</p>	<p>If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. If you timely object, you or your attorney may also address the Court during the Final Approval hearing scheduled for [DATE AND TIME] in the [COURTHOUSE NAME] of San Bernardino County Superior Court, located at [COURTHOUSE ADDRESS].</p>
<p>Dispute Workweek Information</p>	<p>Your share of the class settlement fund will be based on the workweeks you worked for Defendant in California between the dates of January 31, 2015 through the date of preliminary approval or July 31, 2022, whichever comes first. Your share of the PAGA settlement fund will be based on the workweeks you worked for Defendant in California between April 3, 2018 through date of preliminary approval or July 31, 2022, whichever comes first. Your workweek information is provided below in section 9. If you believe that information is inaccurate, you may dispute it using the procedure in section 9. Any dispute must be submitted by [insert date]. If you dispute your workweek information, you will be participating in the settlement. This means that if the settlement is approved you will be mailed a settlement check and you will be bound by the release.</p>
<p>Updating Your Mailing Address</p>	<p>Settlement checks may not be mailed until more 120 days after this notice is mailed. Settlement checks will be mailed to your last known address. The Settlement Administrator will attempt to search for any updated mailing addresses immediately before mailing Settlement checks. If you want your Settlement check to be mailed to a different address, you may update your address by mailing your current address to the Settlement Administrator at PHOENIX CLASS ACTION ADMINISTRATION, 1411 N. Batavia St., Suite 105, Orange, CA.</p>

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

The Final Fairness and Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _____ .m. on _____, in the [COURTHOUSE NAME] of San Bernardino County Superior Court, located at [COURTHOUSE ADDRESS]. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendant's records show that you currently work, or previously worked, for Defendant as a non-exempt hourly employee in the State of California from January 31, 2015 through the date of preliminary approval or July 31, 2022, whichever comes first. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Hector Quiroz and Francisco Aguila were non-exempt hourly employees for Defendant in California. They are the "Plaintiffs" in this case and are suing on behalf of themselves and Class Members for Defendant's alleged failure to pay overtime wages, failure to pay minimum wages, failure to provide legally-compliant meal and rest breaks under California law, failure to provide compliant wage statements, failure to timely pay wages upon separation, failure to reimburse business expenses, and engagement in unfair business practices. Based on these and other alleged Labor Code violations, Plaintiffs also seeks to recover civil penalties under PAGA.

Defendant denies all of the allegations made by Plaintiffs and deny that it violated any law. The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this Class Action Settlement. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing.

Summary of the Settlement Terms

Plaintiffs and Defendant have agreed to settle this case on behalf of themselves and the Class Members for the Gross Settlement Amount of seven hundred twenty-five thousand dollars (\$725,000.00). The Gross Settlement includes: (1) Administration Costs up to fifteen thousand dollars (\$15,000.00); (2) a service payment of up to two thousand five hundred dollars (\$2,500.00) to each to Plaintiff or five thousand dollars (\$5,000.00)(collectively) for their time and effort in pursuing this case and in exchange for a broader release of claims against Defendant; (3) 1/3rd of the Gross Settlement or two hundred forty-one thousand six hundred sixty-six dollars and sixty-six Cents (\$241,666.66) (if there is an increase in the Gross Settlement Amount Class Counsel can seek fees on the increased Gross Settlement amount) in attorneys' fees and actual verified litigation costs not to exceed twenty-five thousand dollars (\$25,000.00) to Class Counsel; and (4) payment allocated to PAGA civil penalties in the amount of ten thousand dollars (\$10,000.00), of which seven thousand five hundred dollars (\$7,500.00), representing 75% of the PAGA Allocation, will be payable to the Labor and Workforce Development Agency ("LWDA") and two thousand five hundred dollars (\$2,500.00) which will be payable to Class Members who worked during the PAGA Period. After deducting these sums, a total of approximately four hundred thirty thousand eight hundred thirty-three dollars and thirty-four cents (\$430,833.34) will be available for distribution to Class Members ("Net Settlement Amount"). In addition to the Gross Settlement, Defendant will separately

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

pay all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement.

Distribution to Class Members

Class Members who do not opt out will receive a pro-rata payment based on the number of weeks worked by Class Members for Defendant in California as non-exempt hourly employee between January 31, 2015, through and including date of preliminary approval or July 31, 2022, whichever comes first [PRELIMINARY APPROVAL DATE] (“Eligible Workweeks”). Specifically, Class Members’ payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (individual Class Member’s Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount.

Defendant’s records indicate that you worked [Eligible Workweeks] as a hourly non-exempt employee in California between January 31, 2015, through and including date of preliminary approval or July 31, 2022, whichever comes first. Based on these records, your estimated payment as a Participating Class Member would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [RESPONSE DEADLINE]. Please include any documentation you have that you contend supports your dispute.

Distribution to PAGA Members

Even if a Class Member requests to be excluded from the Class Settlement, he or she may still receive a PAGA Allocation payment if the Class Member worked during the PAGA period. Any Class Member who worked during the PAGA Period shall be deemed to have released all claims under PAGA based on Plaintiff’s notice to the LWDA and as alleged in the operative complaint. Each PAGA Member’s Individual PAGA Payment will be calculated based on the total number of pay periods he or she worked during the PAGA Period. To establish the workweek value, the Settlement Administrator will first determine the total number of pay periods worked by PAGA Members during the PAGA Period. 25% or two thousand five hundred dollars (\$2,500.00) of the PAGA Allocation will then be divided by the total number of pay periods worked by PAGA Members during the PAGA Period to determine the per pay period value.

Defendant’s records indicate that you worked [Eligible Workweeks] as a non-exempt hourly employee in California between April 3, 2018 (“PAGA Period”) through and including date of preliminary approval or July 31, 2022, whichever comes first. [PRELIMINARY APPROVAL DATE]. Based on these records, your estimated payment as a PAGA Member would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [RESPONSE DEADLINE]. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

Fifteen (15%) percent% of each Settlement Payment will be allocated as wages and reported on an IRS Form W-2; and eight-five (85%) percent will be allocated as penalties and interest reported on an IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your Options Under the Settlement

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

Option 1 – *Do Nothing and Receive Your Payment*

If you do not opt out, you are automatically entitled to your Settlement Check because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement, entry of judgment, and payment by Defendant to the Settlement Administrator.

“Released Class Claims” means all claims both potential and actual that were or may have been raised in the First Amended Complaint or that are reasonably related to the allegations in the First Amended Complaint as to all Class Members, including claims under Labor Code section 201, 202, 203, 204, 218.5, 226, 226.3, 226.7, 226.8, 510, 512, 520, 1174, 1174.5, 1175, 1194, 1197, 1198, 2802, , California Industrial Welfare Commission Wage Orders, Cal. Code Regs., tit. 8, section 11040, et seq., California Business and Professions Code section 17200, et seq, and all class claims, representative claims, aggrieved employee claims, meal or rest periods, meal or rest period premiums, unpaid wages, overtime, minimum wages, and complete payments of wages at separation, termination or lay-off, failure to provide accurate and itemized wage statements, failure to reimburse for expenses, unfair competition based on the foregoing, unfair business practices based on the foregoing, unlawful business practices based on the foregoing, fraudulent business practices based on the foregoing, or that were or may have been raised in the Second Amended Complaint or that are reasonably related to the allegations in the Second Amended Complaint This release shall apply to all claims arising at any point between January 31, 2015 through date of preliminary approval or July 31, 2022, whichever comes first. The release period for Settlement Class Members covers the period from January 31, 2015 through date of preliminary approval or July 31, 2022, whichever comes first.

“Released PAGA Claims” means any and all known and unknown claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, action or causes of action contingent or accrued for, arising out of the allegations and claims asserted in the operative Second Amended Complaint and the Plaintiff Quiroz’s’ letter to the LWDA. This release shall apply to all claims arising at any point between April 3, 2018 through date of preliminary approval or July 31, 2022, whichever comes first.

“Released Parties” means Defendant International Aerospace Coatings, Inc., and all of its current, former, and future parents, owners, subsidiaries, predecessors and successors, and all of their agents, employees, officers, directors, spouses, partners, shareholders, agents, and any other successors, assigns, or legal representatives, as well as any other individual or entity which could be jointly liable with any of the following.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the Settlement, you may exclude yourself by submitting a the Request for Exclusion Form. . Your Request for Exclusion Form exclusion must include your name, address, the last four digits of your Social Security Number, and signature. Sign, date, or have your legal representative sign, and mail your written request for exclusion by U.S. First-Class Mail or facsimile to the address below.

**PHOENIX CLASS ACTION ADMINISTRATION
1411 N. Batavia St., Suite 105**

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

Orange, CA 92867
Fax number (949)209-2503)

The written Request for Exclusion Form must be postmarked or received by the Administrator not later than [RESPONSE DEADLINE]. If you exclude yourself from the Settlement then you will get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit. A Class Member however cannot opt out of the settlement of the PAGA claim, and should settlement of the PAGA claim be approved, a qualifying employee will receive a PAGA Payment whether or not he or she opts out of from the Settlement and shall be bound by the PAGA Release.

Option 3 – *File an Objection to the Settlement*

If you wish to object to the Settlement, you may file a written objection stating why you object to the Settlement. Your written objection must provide the case name and number, your full name, address, the last four digits of your Social Security Number and/or employee ID, your reasons why you think the Court should not approve the Settlement, along with any legal authority, if any, you assert supports your objection, and your signature. Your written objection must be mailed to the Administrator no later than [RESPONSE DEADLINE]. Please note that you cannot both object to the Settlement and exclude yourself. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Fairness Hearing

You may, if you wish, also appear at the Final Fairness and Approval Hearing set for _____ at _____ .m. in the [COURTHOUSE NAME] of San Bernardino County Superior Court, located at [COURTHOUSE ADDRESS], and raise or discuss your objections with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense.

Due to the COVID-19 pandemic, hearings are currently being conducted remotely through LACourtConnect. Class Members who wish to appear at the final fairness hearing should contact Class Counsel to arrange a telephonic appearance through LACourtConnect, at least three days before the hearing if possible. Any CourtCall fees for an appearance by an objecting class member will be paid by class counsel.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may visit www.phoenixclassaction.com/brownvpeets, call the Settlement Administrator at 888-517-4291 or Class Counsel:

Kevin Mahoney (SBN: 235367)
kmahoney@mahoney-law.net
Berkeh Alemzadeh (SBN: 324834)
balem@mahoney-law.net
MAHONEY LAW GROUP, APC
249 E. Ocean Blvd., Ste. 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

The Complaint for the Case; the operative Motion for Preliminary Approval, Declarations in Support of Motion for Preliminary Approval, Proposed Order, Notice of Class Action Settlement, the Joint Stipulation of Class Action Settlement and Release and Request for Exclusion Form will be posted on the Settlement Administrator's

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

website at [insert admin website]. Plaintiff's Motion for Final Approval of the Settlement, Request for Attorneys' Fees, Litigation Costs and Incentive Award as well as any final judgment filed in this matter will be made available on the Settlement Administrator's website as soon as practicable after they are filed.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the San Bernardino County Superior Court, located at [ADDRESS], during regular business hours of each court day.

Due to the novel Coronavirus, the Court has enacted social distancing protocols, which include the following:

- Do not enter the courthouse if:
 - You have tested positive for COVID-19 within the last 10 days AND have not been fever free for 24 hours.
 - You have been ordered to quarantine or been in contact (within 6 feet and more than 15 minutes) with a person known to be or suspected of being COVID-19 positive within the last 14 days.
 - You are experiencing COVID-19 symptoms.
- Individuals entering the courthouse must wear facial coverings over the mouth and nose while in the courthouse. Paper, disposable masks will be provided to persons who do not have one and who request to enter the courthouse. ADA exceptions may apply.
- To help court users observe social distancing, the Court has posted signs throughout its facilities - including elevator landings, benches, and other areas where lines are likely to form - reminding court users and employees to remain at least six feet apart.
- Sheriff security and court staff enforce social distancing of court users outside and within the courthouse.
- Hand sanitizer dispensers are available for use throughout the courthouse.
- The court has increased cleaning and sanitization of high-touch surfaces and restrooms in this facility using U.S. Environmental Protection Agency- approved disinfectant products.
- The court has provided employees and judicial officers with public health-compliant facial coverings to use while working in courthouses.
- The court will maintain and keep all public restrooms open to facilitate frequent hand-washing.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.**

Questions? Contact the Settlement Claims Administrator toll free at 888-517-4291

EXHIBIT B

OPT OUT FORM

Hector Quiroz v. International Aerospace Coatings, Inc.
Superior Court of California for the County of San Bernardino, Case No. CIVDS1903315

MAIL OR FAX BY [insert date] TO:

Hector Quiroz v. International Aerospace Coatings, Inc. Administrator
INSERT ADDRESS AND FAX # of Administrator

COMPLETE THIS FORM **ONLY IF** YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT RECEIVE** YOUR PAYMENT FROM THE SETTLEMENT.

I understand that by opting out of this Class Action Settlement, I will not be eligible to receive any money that may result from any trial or settlement of this lawsuit. I do not wish to receive compensation under the terms of any judgment or settlement or otherwise participate in this Class Action.

I further understand that by opting out, all personal representatives, spouses and relatives who on account of a personal relationship to me might assert a derivative claim or money will be deemed to have opted out as well, unless such person is entitled to participate in this Class Action by virtue of their own employment with International Aerospace Coatings, Inc. I also understand that even if I wish to opt-out of this Class Action Settlement, if I am deemed an Aggrieved Employee, that I will still receive an Individual PAGA Payment if I worked during the PAGA period.

If you wish to opt out of this Class Action, please check the box below.

By checking this box, I affirm that I wish to be excluded from this Class Action Settlement.

Date Signed

Signature of Class Member or Executor, Administrator or Personal Representative

Name of Class Member: _____

Address: _____
Street City State Zip Code

Last four digits of your Social Security Number: _____

If you have any questions about this notice, you may also contact the Notice Administrator at:

Phoenix Class Action Administration Solutions

PHOENIX CLASS ACTION ADMINISTRATION

1411 N. Batavia St., Suite 105

Orange, CA 92867

Phone: 888-517-4291