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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

JOSEPH HOUSLEY, individually, and on behalf of other members of the general public similarly situated;

Plaintiff,

v.

SONRAY SOLAR, INC. DBA SONRAY CONSTRUCTION, a California corporation; and DOES 1 through 100, inclusive;

Defendants.

Case No.: 34-2023-00334376-CU-OE-GDS

Assigned for All Purposes to:
Honorable Jill Talley
Department 23

CLASS ACTION

DECLARATION OF DOUGLAS HAN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT, CONDITIONAL CERTIFICATION, APPROVAL OF CLASS NOTICE, SETTING OF FINAL APPROVAL HEARING DATE

[Reservation No.: A-334376-001]

[Notice of Motion and Motion for Preliminary Approval; and [Proposed] Order filed concurrently herewith]

Hearing Date:	July 12, 2024
Hearing Time:	9:00 a.m.
Hearing Place:	Department 23
Complaint Filed:	February 7, 2023
FAC Filed:	June 23, 2023
Trial Date:	None Set

DECLARATION OF DOUGLAS HAN

I, **DOUGLAS HAN**, hereby declare as follows:

1. I am an attorney duly licensed to practice law before all courts of California. I am the founding member of Justice Law Corporation. I am the attorney of record for Plaintiff Joseph Housley ("Plaintiff") and the Class in the instant action. I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. In May 2004, I graduated from Pepperdine University School of Law with a Juris Doctor degree. In May 2001, I obtained a Bachelor of Science degree in Political Science with a minor in English from University of Houston.

3. From January 2004 to May 2004, I served as a Judicial Extern to Honorable Lourdes G. Baird of the United States District Court for the Central District of California.

4. Since its inception, our firm has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, unfair business practices or consumer fraud. Our firm has successfully litigated to conclusion over three hundred (300) wage-and-hour class or representative actions. Currently, we are the attorneys of record in over a dozen employment-related putative class actions in both state and federal courts in California. During this time, in association with other law firms, we have obtained millions of dollars on behalf of thousands of individuals in California.

5. Attached hereto as **Exhibit 1** is a list of some of the class action and representative matters for which Class Counsel have been appointed to serve as Class Counsel that have been given final approval.

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6. Shunt Tatavos-Gharajeh is an Of Counsel at my office. Shunt received his undergraduate degree from University of California, Los Angeles and earned a Juris Doctor degree from Southwestern University School of Law. Shunt was admitted to practice in California in December 2010. Shunt is admitted to practice in the Courts of California. The focus of Shunt's practice is class action wage-and-hour law. Shunt has worked on multiple class action cases and representative actions that have been granted approval, including *Keles v. The Art of Shaving – FL, LLC,* Alameda County Superior Court, Case No. RG13687151; *Esters v. HDB LTD. Limited Partnership,* Kern County Superior Court, Case No. S-1500-CV-279879; *Guzman v. International City Mortgage, Inc.*, San Bernardino County Superior Court, Case No. CIVDS1502516; *Davidson v. Lentz Construction General Engineering Contractor*, Kern County Superior Court, Case No. S-1500-CV-279853; *Betancourt v. Hugo Boss USA, Inc.*, Los Angeles County Superior Court, Case No. BC506988; *Porras v. DBI Beverage, Inc.*, Santa Clara County Superior Court, Case No. 1-14-CV-266154; *Hartzell v. Truitt Oilfield Maintenance Corporation*, Kern County Superior Court, Case No. S-1500-CV-283011; *Navarro-Salas v. Markstein Beverage Co.*, Sacramento County Superior Court, Case No. 34-2015-00174957-CU-OE-GDS; *White v. Pilot Travel Centers, LLC,* San Joaquin County Superior Court, Case No. STK-CV-UOE-2013-0009098; *McKinnon v. Renovate America, Inc., et al.*, San Diego County Superior Court, Case No. 37-2015-00038150-CU-OE-CTL; *Antoine v. Riverstone Residential CA, Inc.*, Sacramento County Superior Court, Case No. 34-2013-00155974-CU-OE-GDS; *Pina v. Zim Industries, Inc.,* Kern County Superior Court, Case No. S-1500-CV-284498; *Amaya v. Certified Payment Processing*, Sacramento County Superior Court, Case No. 34-2015-00186623-CU-OE-GDS; *Burke v. Petrol Production Supply, Inc.*, Kern County Superior Court, Case No. BCV-15-101092; *Ceron v. Hydro Resources-West, Inc.*, Kern County Superior Court, Case No. BCV-15-101461; *Chavana v. Golden Empire Equipment, Inc.*, Kern County Superior Court, Case No. BCV-16-102796; *De La Torre v. Acuity Brands Lighting, Inc.*, San Bernardino County Superior Court, Case No. CIVDS1601800; *Dobbs v. Wood Group PSN, Inc.*, Kern County Superior Court, Case No. BCV-16-101078; *Gonzalez v. Matagrano, Inc.*, San Francisco County Superior Court, Case No. CGC-16-550494; *Harbabikian v. Williston Financial Group, LLC*, Ventura County Superior Court, Case No. 56-2016-004485186-

CU-OE-VTA; *Prince v. Ponder Environmental Services, Inc.*, Kern County Superior Court, Case No. BCV-16-100784; *Ramirez v. Crestwood Operations*, *LLC*, Kern County Superior Court, Case No. BCV-17-100503; *Reyes v. Halliburton Energy Services, Inc.*, Kern County Superior Court, Case No. S-1500-CV-280215; *Rodriguez v. B&L Casing Serve, LLC*, Kern County Superior Court, Case No. S-1500-CV-282709; *Marketstar Wage and Hour Cases*, Alameda County Superior Court, Case No. JCCP004820; *Rodriguez v. Delta Sierra Beverage, LLC*, Sacramento County Superior Court, Case No. 34-2017-00206727-CU-OE-GDS; *Stuck v. Jerry Melton & Sons Construction, Inc.*, Kern County Superior Court, Case No. BCV-16-101516; *Blevins v. California Commercial Solar, Inc.*, Kern County Superior Case, No. BCV-17-100571; *Cisneros v. Wilbur-Ellis Company*, LLC, Kern County Superior Court, Case No. BCV-17-102836; and *Castro v. General Production Service of California, Inc.*, Kern County Superior Court, Case No. BCV-15-101164. Shunt was also certified as class counsel in *Fulmer v. Golden State Drilling, Inc.*, Kern County Superior Court, Case No. S-1500-CV-279707; *Manas v. Kenai Drilling Limited*, Los Angeles County Superior Court, Case No. BC546330; and *Nuncio v. MMI Services, Inc.*, Kern County Superior Court, Case No. S-1500-CV-282534, cases that were certified after a contested class certification. Shunt is handling class actions pending in California.

7. At the time of this declaration, the number of Class Members is estimated to be seven hundred thirty-nine (739), which was confirmed by Defendant SonRay Solar, Inc. dba SonRay Construction ("Defendant").

8. This case involves all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from February 7, 2019, through October 31, 2023 ("Class," "Class Members," and "Class Period").

9. On February 6, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant.[1]

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[1] Attached hereto as **Exhibit 3** is a true and correct copy of the email confirmation evidencing the submission of the notice letter to the LWDA.

10. On February 7, 2023, Plaintiff filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Sacramento. The lawsuit alleged violation of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code sections 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (noncompliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); (h) Labor Code section 2698, *et seq*. (Private Attorneys General Act of 2004 ("PAGA")); and (i) Business & Professions Code section 17200, *et seq*.[2]

11. On June 23, 2023, Plaintiff filed a First Amended Complaint pleading exhaustion of the 65-day statutory notice period to the LWDA.[3]

12. After engaging in discovery, investigations, and arms-length negotiations, on February 1, 2024, the Parties remotely attended mediation with experienced neutral Lisa Klerman, *Esq*. that resulted in the settlement of this matter.

13. Defendant generally and specifically denies any and all liability or wrongdoing of any sort regarding any of the claims alleged, makes no concessions or admissions of liability, and contends that for any purpose other than settlement, the matter is not appropriate for class or representative treatment. Defendant asserts several defenses to the claims and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in this matter.

14. After initiating this lawsuit, the Parties engaged in discovery. Plaintiff propounded form interrogatories, special interrogatories, requests for admission, and requests for production of documents. Defendant responded to the formal discovery requests. Thereafter, the Parties met and conferred and agreed to engage in an informal exchange of information and then eventually remotely attended mediation.

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[2] Attached hereto as **Exhibit 4** is a true and correct copy of the email confirmation evidencing the submission of the complaint to the LWDA.

[3] Attached hereto as **Exhibit 5** is a true and correct copy of the email confirmation evidencing the submission of the amended complaint to the LWDA.

15. Prior to the mediation, Defendant produced several documents relating to its policies, practices, and procedures regarding reimbursement of business expenses, paying hourly-paid and non-exempt employees for all hours worked, and meal and rest breaks along with its payroll and operational policies. As part of Defendant's production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiff to understand the number of workweeks and pay periods within the Class Period. Putative class members were also located and interviewed to attain a better understanding of the extent and frequency of the alleged day-to-day violations.

16. The Parties agree the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the Parties' positions and to compromise the issues on a fair and equitable basis.

17. Based on the information provided by Defendant and interviews with putative class members, Plaintiff contends – and Defendant denies – Defendant failed to provide employees with legally mandated rest breaks. Defendant's rest break policies were allegedly not *Brinker*-compliant because they failed to correctly advise employees of the timing of their breaks and the right to receive additional breaks. Defendant would also purportedly assign employees heavy workloads daily and expected employees to prioritize the completion of their tasks above all else. In fact, Defendant supposedly permitted supervisors to interfere with and discourage employees from taking their rest breaks by referring to their breaks as "slacking off". Collectively, this apparently left employees with little to no reasonable opportunities to take their rest breaks since employees risked falling behind on their tasks and being reprimanded by supervisors. Finally, despite these violations, Defendant allegedly did not have a policy or practice of paying employees premium wages for noncompliant rest breaks.

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18. Plaintiff also asserts – and Defendant denies – Defendant failed to provide employees with legally mandated meal breaks. Like rest breaks, Defendant allegedly regularly assigning employees heavy workloads resulted in several instances of missed, short, and/or late meal breaks. Defendant also did not permit employees to take their meal breaks until employees were dismissed by supervisors. Yet, since supervisors purportedly did not dismiss employees for their meal breaks until employees had first completed their tasks, this resulted in several missed and/or late breaks. Furthermore, even when employees were afforded rare opportunities to take their meal breaks, supervisors would supposedly interrupt their breaks to ask them work-related questions or ordered employees to resume working. Despite this, Defendant apparently attempted to conceal these meal break violations by maintaining an inaccurate time-keeping system that reflected employees taking full and timely breaks even if employees had not. Finally, regardless of these violations, Defendant allegedly did not have a policy or practice of paying employees premium wages for noncompliant meal breaks.

19. Plaintiff alleges – and Defendant denies – Defendant failed to compensate employees for all hours worked. Defendant allegedly required employees to omit a large portion of their hours worked to reduce the number of hours employees would be paid for. This purportedly included time spent in meetings with supervisors, consulting with clients, repairing their vehicles and equipment, and driving to and from jobsites. In fact, Defendant also supposedly expected employees to don and doff their personal protective equipment ("PPEs") before clocking in and after clocking out respectively. Additionally, whenever employees' heavy workloads caused them to work additional hours beyond their scheduled shifts, supervisors would apparently order employees to clock out and continue working to avoid recording overtime hours. Finally, despite Defendant requiring certain employees to remain on-call, Defendant allegedly only paid such employees for the time spent performing service calls. In other words, such employees were purportedly not paid for their time spent on standby or driving to and from the jobsites. Collectively, this purportedly resulted in hours of uncompensated off-the-clock work (both minimum wages and overtime wages).

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20. Plaintiff contends – and Defendant denies – Defendant failed to reimburse employees for necessary business expenses incurred. Defenant expected employees to use their personal vehicles to drive to and from different jobsites. Employees were still under Defendant's control when using their personal vehicles since employees were carrying tools in their personal vehicles when driving to and from the jobsites. Despite this, Defendant allegedly did not have a practice of reimbursing employees for the mileage.

21. Plaintiff asserts – and Defendant denies – Defendant is liable for wage statement penalties. Defendant allegedly issued wage statements in violation of Labor Code section 226(a) because of the underlying violations discussed above. Defendant purportedly failing to pay premium wages and compensate employees for all hours worked resulted in Defendant issuing noncompliant wage statements. This would mean Defendant's wage statements supposedly failed to include the gross wages earned, net wages earned, and total hours worked. Even if Defendant asserts its violation of section 226(a) is trivial (which it denies), California courts have held strict compliance of section 226(a) is what is intended.

22. Finally, Plaintiff alleges – and Defendant denies – Defendant is liable for waiting time penalties. Defendant's employees are entitled to back underpaid minimum wages and overtime wages, as well as missed meal and rest break premium wages, thereby triggering waiting time penalties under Labor Code section 203. Thus, Defendant owes wages and compensation for missed meal and rest breaks, as a matter of fact and law. But Defendant intentionally failed or refused to perform an act, which was required to be done, thereby constituting "willful" conduct and justifying "waiting time" penalties under section 203 to former employees.

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23. Defendant denies the meal and rest break contentions on the grounds it always maintained compliant policies, provided breaks within proper time frames, and that hourly-paid and non-exempt employees were allowed to use their break times for their own purposes. By extension, Defendant counters it rarely, if ever, assigned employees heavy workloads and never permitted supervisors to interfere with or discourage employees from taking meal and rest breaks. In fact, Defendant adds that it expected supervisors to remind and encourage employees to take their meal and rest breaks even if employees had not completed their tasks. By extension, Defendant asserts it always permitted employees to take additional meal and rest breaks if they worked the requisite hours and did not maintain an inaccurate time-keeping system that concealed instances of noncompliant meal breaks. Defendant contends whether hourly-paid and non-exempt employees took meal and rest breaks during compliant time frames and were relieved of all duties are questions that can only be resolved by resorting to individualized inquiries. Defendant also asserts it paid its employees for all hours worked, including overtime wages, minimum wages, and premium wages. Similarly, Defendant attests it never required employees to work additional hours off-the-clock nor did it discourage employees from reporting all hours worked. Defendant also adds that its policies expressly prohibited off-the-clock work and that it properly paid employees for being on-call. Defendant contends it properly reimbursed employees for all necessary business expenses incurred and had in place policies that outlined how employees could request reimbursements. Finally, Defendant argues any failure to comply with labor laws (which it denies) was an honest mistake made in good faith. Defendant contends any alleged conduct cannot be deemed "willful" under Labor Code section 203.

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24. The Parties remotely attended mediation with an experienced mediator. During the mediation, the Parties discussed the risks of continued litigation, certification, and merits of the claims versus the benefits of settlement. Under the auspices of the mediator, the Parties reached a settlement, the terms were memorialized in the Class Action and PAGA Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement"). Attached hereto as **Exhibit 2** is a true and correct copy of the Agreement.[4]

25. The Parties agreed (subject to the Court's approval) this action be settled and compromised for the non-reversionary total sum of $2,300,000 ("Gross Settlement Amount") which includes: (a) Class Counsel Fees Payment up to $805,000 (35% of the Gross Settlement Amount) to Class Counsel; (b) Class Counsel Litigation Expenses Payment up to $20,000 for reimbursement of litigation costs and expenses to Class Counsel; (c) Class Representative Service Payment up to $10,000 to Plaintiff; (d) Administration Expenses Payment up to $20,000 to CPT Group, Inc., the Administrator; and (e) PAGA Penalties up to $150,000 to the LWDA and Aggrieved Employees.

26. After all Court-approved deductions from the Gross Settlement Amount, it is estimated $1,295,000 ("Net Settlement Amount") will be paid to all Class Members who do not submit valid and timely Requests for Exclusion from the Settlement – with a gross *average* Individual Class Payment estimated at $1,752.37.

27. The Settlement was reached because of arm's-length negotiations. Though cordial and professional, the settlement negotiations have always been adversarial and non-collusive in nature. At the mediation, the Parties' counsel conducted extensive arm's-length settlement negotiations until an agreement was ultimately reached after mediation.

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[4] Attached hereto as **Exhibit 6** is a true and correct copy of the email confirmation evidencing the submission of the Settlement Agreement to the LWDA.

28. Plaintiff and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation through trial and any possible appeals. Plaintiff and Class Counsel considered the uncertainty and risk of further litigation, potential outcome, and difficulties and delays inherent in such litigation. Pursuant to this, Plaintiff and Class Counsel conducted extensive settlement negotiations, including formal discovery and mediation. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement is a fair, adequate, and reasonable settlement and is in the best interests of the Class Members.

29. The Parties investigated and evaluated the strengths and weaknesses of the claims and defenses before reaching the Settlement and engaged in research and discovery to support the Settlement. The Settlement was only possible following significant investigation and evaluation of the relevant policies and practices, as well as the data produced, permitting Class Counsel to engage in a comprehensive analysis of liability and potential damages. This case has reached the stage where the Parties understand "the strength of the case; the reasonableness of the settlement in light of the attendant risks of litigation, and in light of the best possible recovery" sufficient to support the Settlement's reasonableness, adequacy, and fairness. (*Boyd v. Bechtel Corp.* (N.D.Cal. 1979) 485 F.Supp. 610, 617.)

30. The claims are predicated on the purported: (a) failure to pay overtime wages; (b) failure to pay minimum wages; (c) failure to provide meal and rest breaks and pay applicable premium wages; (d) failure to timely pay wages; (e) failure to issue compliant wage statements; (f) failure to reimburse business expenses; (g) violation of PAGA; and (h) violation of Business & Professions Code section 17200, *et seq*.

31. Defendant vehemently denies the theories of liability. Defendant contends: (a) all meal and rest breaks were provided in compliance with the law; (b) all wages were paid; (c) \all wages were timely paid; (d) wage statements were provided in compliance with the law; and (e) all business expenses were reimbursed. Defendant further contends any mistakes made (which it denies) were honest rather than willful. Finally, Defendant argues if litigation were to continue, it feels confident it would prevail.

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32. While Plaintiff believes the case is suitable for certification, uncertainties with respect to certification are always present. As the California Supreme Court ruled in *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, class certification is always a matter of the trial court's sound discretion. Decisions following *Sav-On Drug Stores, Inc.* have reached different conclusions concerning certification of wage-and-hour claims.[5]

33. Defendant produced a sampling of time and pay records and information regarding the estimated number of workweeks and pay periods within the Class Period. Using the information provided, it was determined the number of workweeks within the Class Period was approximately 56,215. In addition, it was determined the average hourly rate of pay during the Class Period was around $23.65.

34. Plaintiff asserts Defendant failed to provide legally mandated rest breaks and failed to pay premium wages. Plaintiff estimates about two (2) rest break violations per week. Plaintiff came to this conclusion based on the documents and information produced by Defendant and interviews conducted with putative class members. For instance, while it is true that interviews with putative class members revealed several instances of missed, short, and/or late rest breaks due to heavy workloads and supervisory interference and deterrence, such violations will be difficult to prove since they are not recorded. Finally, the merits of these theories of liability could boil down to individualized issues (he said / she said arguments). Collectively, Class Counsel determined an estimate of two (2) rest break violations per week was reasonable. If proven, the total exposure for rest break violations would be around **$2,658,969.50** (56,215 workweeks x $23.65 x 2 rest break violations per week).

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[5] (See e.g. *Harris v. Superior Court* (2007) 154 Cal.App.4th 164 [reversing decertification of class claiming misclassification and ordering summary adjudication in favor of employees], review granted Nov. 28, 2007, (2007) 171 P.3d 545 [not cited as precedent, but rather for illustrative purposes only]; *Walsh v. IKON Office Solutions, Inc.* (2007) 148 Cal.App.4th 1440 [affirming decertification of class claiming misclassification]; *Aguiar v. Cintas Corp. No. 2* (2006) 144 Cal.App.4th 121 [reversing denial of certification]; *Dunbar v. Albertson's Inc*. (2006) 141 Cal.App.4th 1422 [affirming denial of certification].)

35. Plaintiff estimates about four (4) meal break violations per week. Plaintiff came to this conclusion after reviewing the documents and information produced by Defendant and interviewing putative class members. For example, putative class members claimed that a combination of heavy workloads and supervisory interference and deterrence forced employees to skip, cut short, and/or take late meal breaks. Moreover, meal breaks violations are easier to prove compared to rest break violations since they are recorded. Conversely, Defendant did at least maintain compliant meal break policies. Defendant could even bring in evidence at trial to illustrate employees waived their right to take their meal breaks. The merits of these theories of liability could also boil down to individualized issues (he said / she said arguments). Thus, Class Counsel determined an estimate of four (4) meal break violations per week was reasonable. If proven, the total exposure for meal break violations would be around **$5,317,939** (56,215 workweeks x $23.65 x 4 meal break violations per week).

36. Plaintiff contends Defendant failed to compensate employees for all hours worked. Based on a reasonable estimate of one and one-half (1.5) hours of off-the-clock work per week, an estimate of damages for this claim would likely be about **$1,994,227.12** (56,215 workweeks x 1.5 hours x $23.65). If using the overtime rate, as certain shifts exceeded eight (8) hours per day or forty (40) hours per week, the estimated damages for this claim would likely be about **$2,991,762.30** (56,215 workweeks x 1.5 hours x $35.48). This assumption that employees worked around one and one-half (1.5) hours off-the-clock per week was based on the information collected from interviews. Namely, around fifteen to twenty (15-20) minutes per day was spent working off-the-clock pre-shift and post-shift.

37. Plaintiff alleges Defendant failed to reimburse employees for all necessary business expenses. Class Counsel believe likely ten percent (10%) of gas and mileage can be attributed to work. Similarly, Class Counsel asked Class Members what percentage of their personal vehicle charges were attributed to work, and ten percent (10%) was the most common answer. Using an average monthly gas bill of $150, each monthly cost dedicated to work use would be around $15.00 per month. Therefore, the total amount that must be reimbursed for personal vehicle use is likely to be about **$194,595** (12,973 months x $15.00).

38. Plaintiff asserts Defendant issued wage statements in violation of Labor Code section 226(a) and that its exposure to statutory penalties is substantial. If proven, the potential exposure as to this claim is likely about **$1,732,000** ($4,000 x 433 employees), based on about fifty-two (52) average pay periods (exceeding the aggregate penalty of $4,000).

39. Finally, Plaintiff contends Defendant is liable for waiting time penalties. If proven, the potential exposure to this claim is likely about **$3,127,476** (8 hours x $23.65 x approximately 551 separated employees x 30 days).

40. The provisions of the Labor Code potentially triggering PAGA penalties include Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. Defendant asserted, regardless of the results of the underlying causes of action, PAGA penalties are not mandatory but permissive and discretionary. Defendant maintained, in addition to the strong arguments against the underlying claims, it had a strong argument it would be unjust to award maximum PAGA penalties given the law's unsettled state concerning PAGA penalties.

41. Class Counsel calculated penalties under PAGA by multiplying the number of aggrieved employees by the civil penalties that each could be awarded for the Labor Code sections enumerated under Labor Code section 2699.5 that were applicable in this case. Class Counsel then applied discounts in light of the countervailing arguments with regard to the other causes of action, as well as the Court's power to award "a lesser amount than the maximum civil penalty … ." (Lab. Code, § 2699, subd. (e)(2).)

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42. Given the state of the law and the range of PAGA penalties requested and awarded in courts, it is difficult to determine a reasonable value and exposure for PAGA penalties. Defendant presented a "good faith dispute" to each of the claims, so Plaintiff estimated the amount of PAGA penalties using the "initial" penalty amount of $100 under PAGA.[6] If PAGA penalties are granted on any one of the violations alleged in the operative complaints, the total civil penalties exposure under PAGA could be approximately **$43,300** (433 employees x $100 penalty for initial violation) on the low end. Multiplying the PAGA exposure by the number of alleged violations under the theories of recovery under PAGA gives potential civil penalties of around **$259,800** (433 employees x $100 penalty for initial violation x 6 theories of recovery) on the high end. Regarding stacking, an assumption that the parties should not ignore stacking when calculating penalties under PAGA is subject to challenge. (*Hamilton v. Juul Labs, Inc.* (N.D.Cal. Nov. 16, 2021, No. 20-cv-03710-EMC) 2021 U.S.Dist.LEXIS 221416, at *27.) In fact, it has even been ruled it is possible but highly unlikely plaintiffs "could recover PAGA penalties for each separate type of Labor Code violation." (*Salazar v. PODS Enters., LLC* (C.D.Cal. May 8, 2019, No. EDCV 19-260-MWF (KKx)) 2019 U.S.Dist.LEXIS 78001, at *16.) Some courts have even questioned the plausibility of piling penalties on each other for a single substantive wrong. (*Smith v. Lux Retail North Am., Inc.* (N.D.Cal. June 13, 2013, No. C 13-01579 WHA) 2013 U.S.Dist.LEXIS 83562, at *9.) Thus, the courts have ruled, "[P]laintiffs may only recover a set of civil penalties for each type of violation." (*Snow v. UPS* (C.D.Cal. Apr. 1, 2020, No. EDCV 20-025 PSG (AFMx)) 2020 U.S.Dist.LEXIS 58317, at *9.)

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[6] A Ninth Circuit ruling suggests there may be no "subsequent" violation until an actual finding of a violation by a Labor Commissioner or court. (*Bernstein v. Virgin Am., Inc.* (9th Cir. 2021) 990 F.3d 1157, 1172-1173.)

43. Courts have reduced PAGA penalties by about ninety percent (90%) with mitigating circumstances. (*Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 528-529 (affirming trial court's award of less than 10% of maximum PAGA penalty for meal break violations where the company sought to comply with the law).) To the extent the exposure remains in the hundreds and thousands of dollars, the civil penalties could be "unjust, arbitrary and oppressive, or confiscatory." In fact, many courts have taken liberties to dramatically reduce the civil penalties. (See e.g. *Viceral v. Mistras Grp., Inc.* (N.D.Cal. Oct. 11, 2016, No. 15-cv-02198-EMC) 2016 U.S.Dist.LEXIS 140759. at *29 [preliminarily approving class action settlement that included a PAGA set-aside of just 0.15 percent of the PAGA claims' full potential value, where "Plaintiffs face[d] a substantial risk of recovering nothing on either class or PAGA claims"]; *Cotter v. Lyft, Inc.* (N.D. Cal. 2016) 193 F.Supp.3d 1030, 1037 [preliminarily approving class action settlement allocating a PAGA set-aside worth a fraction of the PAGA claims' potential value, where the Defendants' obligations were "genuinely unclear" and there was no evidence the defendant acted deliberately or negligently failed to learn about its obligations].)

44. Plaintiff recognized the risk that any PAGA award could be reduced. Many of the causes of action brought were duplicative of the statutory claims, such as violations of Labor Code sections 201, 202, 203, 226, 226.7, 510, 512(a), 1194, 1197, 1198, 2800, and 2802. It was arguable whether the Court would award the maximum penalties under the law. Thus, allocating $150,000 to PAGA civil penalties was reasonable given that Defendant is also paying an additional $2,150,000 in the class settlement. When PAGA penalties are negotiated in good faith and "there is no indication that [the] amount was the result of self-interest at the expense of other Class Members," such amounts are generally considered reasonable.[7]

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[7] (*Hopson v. Hanesbrands Inc.* (N.D.Cal. Apr. 3, 2009, No. CV-08-0844 EDL) 2009 U.S.Dist.LEXIS 33900, at *24; see e.g. *Nordstrom Com. Cases* (2010) 186 Cal.App.4th 576, 579, ("[T]rial court did not abuse its discretion in approving a settlement which does not allocate any damages to the PAGA claims".).)

45. Excluding the civil penalties, which could be completely discretionary, the total estimated potential exposure, assuming certification and prevailing at trial, would be about **$15,025,206.62** on the low end and around **$16,022,741.80** on the high end.

Category	Potential Exposure	Certification Risk	Merits Risk	Realistic Exposure
Rest Break Premiums	$2,658,969.50	70%	60%	$319,076.34
Meal Break Premiums	$5,317,939	60%	60%	$850,870.24
Overtime/Minimum Wage: Off-the-Clock Work	$1,994,227.12 to $2,991,762.30	60%	60%	$319,076.34 to $478,681.97
Unreimbursed Business Expenses	$194,595	30%	70%	$40,864.95
Wage Statement Penalty	$1,732,000	60%	60%	$277,120
Waiting Time Penalty	$3,127,476	60%	60%	$500,396.16
MAXIMUM TOTAL EXPOSURE	**$15,025,206.62** to **$16,022,741.80**			**$2,307,404.03 to $2,467,009.66**

46. Based on the rest break theories, Class Counsel believe a seventy percent (70%) certification risk and sixty percent (60%) merits risk are justified. Defendant allegedly did not have in place *Brinker*-compliant rest break policies during the relevant time period. Moreover, a combination of Defendant purportedly assigning employees heavy workloads and permitting supervisors to interfere with employees' rest breaks resulted in several instances of noncompliant breaks. For example, whenever employees were afforded rare opportunities to take their rest breaks, supervisors would supposedly deter employees from doing so by referring to their breaks as "slacking off". However, Class Counsel understand obtaining certification for noncompliant rest breaks due to improper, uniform policies and practices will be difficult since rest breaks are not recorded. In other words, Class Counsel will have to obtain declarations from putative class members to prove the existence of improper, uniform policies and practices, which will be difficult and time-consuming. Defendant can also present evidence and testimony at trial to argue it always had in place compliant rest breaks and rarely, if ever, assigned employees heavy workloads. In fact, Defendant's evidence and testimony could demonstrate Defendant prohibited supervisors from interfering with employees' rest breaks and expected supervisors to remind employees to take their breaks. In other words, employees were choosing to skip, cut short, and/or take late rest breaks

rather than being pressured to do so for the above-mentioned reasons. Finally, Defendant may bring in evidence to illustrate employees voluntarily waived their right to take rest breaks. For these reasons, Class Counsel believe this justifies a seventy percent (70%) certification risk and sixty percent (60%) merits risk.

47. Class Counsel also apply a sixty percent (60%) certification risk and merits risk based on the meal break theories. Like rest breaks, a combination of Defendant allegedly assigning employees heavy workloads regularly and allowing supervisors to interfere with employees' meal breaks forced employees to forgo taking compliant breaks. In fact, supervisors had the authority to decide whether or not employees could take their meal breaks and purportedly forced employees to skip and/or take late breaks to ensure they completed their tasks first. Supervisors supposedly even interrupted employees' meal breaks by asking employees several work-related questions. Despite these violations, Defendant apparently attempted to conceal instances of noncompliant meal breaks by maintaining an inaccurate time-keeping system. But while meal break violations are easier to prove since they are recorded, Class Counsel accept there are still risks associated with obtaining certification. Class Counsel will need to undertake the lengthy and arduous task of gathering declarations from putative class members to demonstrate Defendant maintained improper, uniform practices. Defendant may offset the allegations by admitting evidence and testimony at trial to reveal it did not assign employees heavy workloads and expected supervisors to encourage employees to take their meal breaks even if they had not completed their tasks. By extension, Defendant might even bring in evidence and testimony to argue it expressly prohibited supervisor from speaking to employees about work-related matters during their meal breaks. This would suggest employees were choosing to skip, cut short, and/or take late meal breaks rather than being forced to do so. Defendant can introduce evidence and testimony to demonstrate its time-keeping system did not record full and timely meal breaks unless employees received compliant breaks. If there were issues with its time-keeping system (which Defendant denies), the issue was never brought up by the employees. Finally, Defendant could present evidence to illustrate employees waived their right to take meal breaks. Therefore, Class Counsel apply a sixty percent (60%) certification risk and merits risk.

48. Class Counsel believe the theories regarding unpaid wages due to off-the-clock work warrant a sixty percent (60%) certification risk and merits risk. Defendant allegedly required employees to omit a large portion of their hours worked, resulting in employees being underpaid wages owed. As a result, the time employees spent meeting with supervisors, consulting with clients, repairing their vehicles and equipment, and donning and doffing their PPEs was purportedly not compensated by Defendant. Furthermore, whenever employees' workloads caused them to work additional hours beyond their scheduled shifts, supervisors would supposedly order to clock out and work these hours off-the-clock to avoid recording overtime hours. Finally, despite Defendant requiring some employees to be on-call, Defendant apparently did not pay such employees for being on standby or driving to and from the jobsites. Conversely, there are still risks associated with obtaining certification for off-the-clock work theories Class Counsel must consider. Since off-the-clock work is not recorded, Class Counsel must undertake the difficult task of collecting declarations from putative class members to prove the occurrence of off-the-clock work. Defendant can also present evidence and testimony a trial to argue it permitted employees to don and doff their PPEs while on-the-clock and maintained policies that expressly prohibited off-the-clock. In other words, employees were opting to work additional hours off-the-clock without Defendant's knowledge. Similarly, could produce evidence and testimony to demonstrate it generally paid employees overtime wages even if employees had not obtained prior approval to work overtime hours. Defendant's evidence and testimony may also reveal if employees complained about not being compensated for all hours worked, Defendant would promptly address the issue. Finally, Defendant might bring in evidence and testimony to show only a few employees were expected to be on-call and were properly compensated for their time. Thus, Class Counsel believe this warrants a sixty percent (60%) certification risk and merits risk.

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49. Class Counsel believe a thirty percent (30%) certification risk and seventy percent (70%) merits risk for the unreimbursed business expenses theories are warranted. Defendant expected employees to use their personal vehicles for work-related purposes (e.g., driving to and from different jobsites with their tools). Yet, Defendant allegedly did not have a policy or practice of properly reimbursing employees for the gas or mileage. Moreover, a review of employees' wage statements will reveal Defendant rarely, if ever, paid reimbursements, thereby justifying the low certification risk. Conversely, Class Counsel are aware they will still face obstacles regarding these theories as well. For instance, Defendant may present evidence and testimony at trial to argue that only a few employees were expected to use their personal vehicles to drive to different jobsites and that Defendant would usually provide employees with work vehicles. Furthermore, Defendant might also produce evidence and testimony to reveal employees who submitted requests to be reimbursed were promptly reimbursed. In other words, if there were instances of employees not being reimbursed for the gas and mileage of using their personal vehicles (which Defendant denies), it was because employees failed to submit proper reimbursement requests. Consequently, Class Counsel believe this warrants a thirty percent (30%) certification risk and seventy percent (70%) merits risk.

50. The Labor Code section 226(a) claims for wage statement penalties is based on the alleged failure to maintain accurate records. Defendant purportedly failed to accurately record all hours worked and failed to pay premium wages for noncompliant meal and rest breaks. This supposedly resulted in Defendant issuing wage statements that failed to accurately state the total hours worked, gross wages earned, and net wages earned in violation of section 226(a). However, Defendant's errors (which it denies) most likely did not affect all employees. Section 226(a) claims are also derivative of the above-mentioned claims, so Defendant can assert the same defenses and counterarguments from above. Therefore, Class Counsel apply a sixty percent (60%) certification risk and merits risk.

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51. Finally, the Labor Code section 203 claim for waiting time penalties is based on the claims for underpaid minimum wages and overtime wages, as well as missed meal and rest breaks. Prevailing on the claims described above will lead to waiting time penalties. However, Defendant may argue any failure to pay wages due and owing to employees in a timely manner (which it denies) was not "willful" under section 203 and was an honest mistake made in good faith. Defendant will also presumably assert the same defenses and counterarguments from above since section 203 claims are derivative of the above-mentioned claims. Thus, Class Counsel assign a sixty percent (60%) certification risk and merits risk.

52. The realistic recovery for this case is about **$2,307,404.03** on the low end and **$2,467,009.66** on the high end. The Gross Settlement Amount is about fourteen percent (14.35%) of the maximum potential exposure and around ninety-three percent (93.23%) of the maximum realistic exposure at trial, which is an excellent settlement.

53. The Class is ascertainable and numerous as to make it impracticable to join all Class Members, and there are common questions of law and fact that predominate over any questions affecting any individual Class Member. Plaintiff contends, as a former hourly-paid and non-exempt employee of Defendant, his claims are typical of the claims of the Class, and Class Counsel will fairly and adequately protect the interests of the Class. Plaintiff also asserts the prosecution of separate actions by individual Class Members would create the risk of inconsistent or varying adjudications, so a class action is superior to other available means for the fair and efficient adjudication. As discussed below, this case is amenable to class certification.

54. This case involves approximately seven hundred thirty-nine (739) Class Members, meaning the Class is sufficiently numerous.[8] All Class Members can and will be identified by the Administrator through a review of Defendant's employment records concerning hourly-paid or non-exempt persons employed during the Class Period.

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[8] (See *Ghazaryan v. Diva Limousine, Ltd.* (2008) 169 Cal.App.4th 1524, 1531, n.5 [finding a proposed class of "as many as 190 current and former employees" is sufficiently numerous].)

55. Plaintiff asserts common issues of fact and law predominate as to each of the claims. Plaintiff contends all hourly-paid or non-exempt persons employed by Defendant during the Class Period were subject to the same or similar employment practices, policies, and procedures. All the claims surround the alleged common schemes of: (a) failing to maintain compliant meal and rest break policies and practices; (b) failing to reimburse business expenses; and (c) failing to fully and properly compensate employees for, *inter alia*, all hours worked, overtime work, noncompliant breaks, and associated wage statement and waiting time penalties.

56. Plaintiff is a former employee of Defendant. Plaintiff alleges he and the Class Members were employed by the same company and injured by the common policies and practices related to: (a) noncompliant meal and rest breaks; (b) uncompensated off-the-clock work; (c) unreimbursed business expenses; (d) untimely paid wages; and (e) inaccurate wage statements. Plaintiff seeks relief for these claims and derivative claims on behalf of the Class Members. The claims arise from the same employment practices and are based on the same legal theories as those applicable to the Class Members.

57. Plaintiff has proven to be an adequate class representative. Plaintiff conducted himself diligently and responsibly in representing the Class in this litigation, understands the fiduciary obligations, and actively participated in the prosecution of this case. Plaintiff spent time in meetings and conferences with Class Counsel to provide them with a complete understanding of the work experience and environment. Plaintiff also has no interest averse to the interests of the other Class Members.

58. The Settlement Agreement is the product of serious, informed, non-collusive negotiations, has no obvious defects, does not grant preferential treatment to Plaintiff or segments of the Class, and falls within the range of fair and reasonable settlements. I believe this non-reversionary settlement is in the best interests of the Class as fair, reasonable, and adequate. I recommend approval of the Settlement Agreement.

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59. The Settlement Agreement calls for the payment of the Class Counsel Fees Payment of up to $805,000. This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they put into this case and the risk they assumed by taking it in the first place. The Class Counsel Fees Payment is also intended to reimburse Class Counsel for all uncompensated work they have done and for all the work they will continue to do following preliminary approval.

60. I am aware the common and acceptable rate for contingency representation in wage-and-hour class action litigation is normally forty percent (40%) before trial, with the range being from thirty-three and one-third percent (33.3%) up to fifty percent (50%).

61. Class Counsel took this case on a contingent fee basis against a business represented by a reputable defense firm. Accordingly, when taking these cases, we anticipate we shall, if successful, receive a fee that exceeds our normal hourly rate, otherwise the risk is too great to bear. Thus, when we take on one matter, we are unable to take on other matters. When Class Counsel became involved in this case, we realized the time commitment it would entail, and we were forced to turn down other matters. We were forced to do so because of the thorough factual investigation and development this case required. Collectively, this case claimed a significant portion of Class Counsel's time and attention throughout its pendency.

62. The requested fee is reasonable for the services provided to the Class Members and for the benefits they will receive.

63. Class Counsel have no actual or potential conflicts of interest with the Class or Administrator.

I declare that under the penalty of perjury under the laws of California the foregoing is true and correct. Executed on the 2nd of May 2024 at Pasadena, California.

Douglas Han

EXHIBIT 1

Cases	Court	Case Number	Judge
Rodney Hoffman v. Blattner Energy Inc.	United States District Court of California Central District	ED CV 14-2195-DMG (DTBx)	Dolly Gee
Nabor Navarro v. Trans-West Intermodal, Inc.	San Bernardino County Superior Court	CIVDS1700850	Brian McCarville
Caryn Rafferty et al. v. Academy Mortgage Corporation	Sacramento County Superior Court	34-2016-00191285-CU-OE-GDS	David Brown
Carrie Baker v. Central Coast Home Health	San Luis Obispo County Superior Court	17CV-0219	Tana Coates
Jamar Farmer v. Cooks Collision, Inc.	Napa County Superior Court	17CV000969	Diane Price
Ricardo Ortega et al. v. Nestle Waters North America, Inc.	Los Angeles County Superior Court	BC623610	Carolyn Kuhl
Landon Fulmer, Jr. et al. v. Golden State Drilling, Inc.	Kern County Superior Court	S-1500-CV0279707-SDS	Stephen Schuett
Carlos McCollum et al. v. Delta Tech Service, Inc.	Solano County Superior Court	FCS049504	Scott Daniels
Carl Morel et al. v. Aseptic Solutions USA Ventures, LLC	Riverside County Superior Court	RIC1711383	Craig Riemer
Genio Chuen v. 911 Mobile Mechanic, LLC	Orange County Superior Court	30-2017-00943421-CU-OE-CXC	Glenda Sanders
Elbern Gentry v. Eugene Burger Management Corporation	Sacremento County Superior Court	34-2015-00182515-CU-OE-GDS	David Brown
Maurice Bunche et al. v. Mettler-Toledo Rainin, LLC	Alameda County Superior Court	RG18899279	Winifred Smith
Carlos Koreisz et al. v. On Q Financial, Inc	Ventura County Superior Court	56-2018-00511 126-CU-OE-VTA	Mark Borrell
Jason Manas et al. v. Kenai Drilling Limited	Los Angeles County Superior Court	BC546330	Daniel Buckley
Michelle Xiong et al. v. Hilltop Ranch, Inc.	Merced County Superior Court	18CV-01340	Brian McCabe
Karen Morgan v. Childtime Childcare, Inc.	United States District Court of California Central District	8:17-cv-01641 AG (KESx)	Andrew Guilford
Daniel Flores v. Wilmar Oils & Fats (Stockton), LLC	San Joaquin County Superior Court	STK-CV-UOE-2018-0012758	Barbara Kronlund
Jordan Dahlberg et al. v. Fresno Beverage Company dba Valley Wide Beverage	Tulare County Superior Court	VCU279083	Bret Hillman
Jorge Proctor v. Helena Agri Enterprises, LLC	San Diego County Superior Court	37-2018-00057894-CU-0E-CTL	Joel Wohlfeil
Christine Arman v. Circor Aerospace, Inc.	Riverside County Superior Court	RIC1613578	Sunshine Sykes
Anthony Nuncio et al. v. MMI Services, Inc.	Kern County Superior Court	S-1500-CV-282534	David R. Lampe
Mario R. Guerrero et al. v. Plaza Home Mortgage, Inc.	Imperial County Superior Court	ECU001150	L. Brooks Anderholt
Mansour Nije v. Lucira Health, Inc. f/k/a Diassess, Inc.	Alameda County Superior Court	RG20055890	Julia A. Spain
Patricial Alcantar et al v. Bay Equity, LLC	Marin County Superior Court	CIV1903376	James Chou
Efrain Perez v. Freedom Medical, Inc.	San Bernardino County Superior Court	CIVDS1903517	Bryan F. Foster
Beverly Saolom v. Pulmonox Corporation	San Mateo County Superior Court	19-CIV-05070	Nancy Fineman
Matthew Tucker v. BYD Coach & Bus, LLC	Los Angeles County Superior Court	BC698921	Amy Hogue
Jose Duval v. Dawson Oil Company	Sacramento County Superior Court	34-2020-00276862-CU-OE-GDS	Shama H. Mesiwala
Steven DelCorso v. Westland Technologies, Inc.	Stanislaus County Superior Court	CV-20-002807	John R. Mayne
Priscilla Ramirez v. Amphastar Pharmaceuticals, Inc.	San Bernardino County Superior Court	CIVDSZOI1327	David Cohn
Jose Zuniga v. Central Valley Concrete, Inc.	Merced County Superior Court	20CV-00490	Brian McCabe
Robert Enriquez v. MCE Corporation	Contra Costa County Superior Court	MSC20-01744	Edward Weil
Amanda Cunningham v. Cottonwood H.C., Inc. dba Cottonwood Post-Acute Rehab	Yolo County Superior Court	CV2021-1375	Daniel M. Wolk
Nguyen Ngo, et al. v. Medimpact Healthcare Systems, Inc.	San Diego County Superior Court	37-2020-00015657-CU-OE-CTL	Keri Katz
Steven Jefferson v. McCormack Baron Management, Inc.	San Francisco County Superior Court	CGC-20-588162	Richard B. Ulmer Jr.
Allen Morgan v. Wehah Farm, Inc dba Lundberg Family Farms	Butte County Superior Court	20CV02554	Stephen E. Benson
Earl Rhodes, et al. v. Cavotec Dabico US Inc., et al.	Orange County Superior Court	30-2021-01177305-CU-OE-CXC	Peter Wilson
Alexandra Pelgrift v. The 21st Amendment Brewery Cafe	San Francisco County Superior Court	CGC-20-585227	Ethan P. Schulman
Beverly Salom, et al. v. Lumentum Operations LLC, et al.	Santa Clara County Superior Court	19CV354198	Sunil R. Kulkarni
Leroy Rost v. Lehigh Hanson, Inc. et al.	San Luis Obispo County Superior Court	20CV-0225	Tana L. Coates
Suleni Itzep, et al. v. Axonics Modulation Technologies, Inc.	Orange County Superior Court	30-2020-01140962-CU-OE-CXC	Lon F. Hurwitz
Earl Gandionco v. Allergan, Inc. et al.	San Joaquin County Superior Court	STK-CV-UOE-2022-0003077	Robert T. Waters
Kris Brehm, et al. v. Platinum Living Services, Inc. dba Oakwood Village	Placer County Superior Court	S-CV-0046296 (Consolidated with S-CV-0046676)	Michael Jones
Jarid Gomez, et al. v. Parker-Hannifin Corporation	Ventura County Superior Court	56-2022-00563952-CU-OE-VTA	Benjamin Coats
Ana Vargas, et al. v. Spates Fabricators, Inc.	Riverside County Superior Court	CVRI2100462	Harold W. Hopp
Jacob Blea v. Pacific Groservice Inc., et al.	Santa Clara County Superior Court	20CV275150	Sunil R. Kulkarni
Anthony Penca v. Sierra Nevada Brewing Co.	Butte County Superior Court	21CV02883	Tamara L. Mosbarger
Armoni Lloyd v. National Warehouse Management, LLC	Kern County Superior Court	BCV-22-102213	David R. Zulfa
Edgar Mata, et al. v. Day-Lee Foods Inc.	Los Angeles County Superior Court	20STCV21663	Kenneth R. Freeman
Samyra McCrea v. Rockridge Market Hall, LLC dba Market Hall Foods, et al.	Alameda County Superior Court	22CV005647	Evelio Grillo

EXHIBIT 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Agreement) is made by and between Plaintiff Joseph Housley ("Plaintiff") and Defendant SonRay Solar, Inc. dba SonRay Construction ("Defendant"). The Agreement refers to Plaintiff and Defendant as "Parties," or individually as "Party."

A. DEFINITIONS.

1. "Action" means the lawsuit alleging wage and hour violations against Defendant captioned *Joseph Housley v. SonRay Solar, Inc. dba SonRay Construction* initiated by Plaintiff on February 7, 2023, as amended, and pending in the Superior Court of the State of California, County of Sacramento (Case No. 34-2023-00334376-CU-OE-GDS).

2. "Administrator" means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

4. "Aggrieved Employee" means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the PAGA Period.

5. "Class" means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Class Period.

6. "Class Counsel" means Justice Law Corporation.

7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" means the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

8. "Class Data" means Class Members' identifying information in Defendant's possession, including the Class Member's: (a) full name; (b) last-known mailing address; (c) Social Security Number; and (d) number of Workweeks and PAGA Pay Periods.

9. "Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

10. "Class Member Address Search" means the Administrator's investigation and search for current Class Members' mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address Database ("NCOA"), skip traces, and direct contact by the Administrator with Class Members.

11. "Class Notice" means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

12. "Class Period" means the period from February 7, 2019, through October 31, 2023.

13. "Class Representative" means the named plaintiff in the Operative Complaint in the Action seeking Court approval to serve as the Class Representative.

14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

15. "Court" means the Superior Court of California, County of Sacramento.

16. "Defendant" means SonRay Solar, Inc. dba SonRay Construction, the named defendant of the Action.

17. "Defense Counsel" means Fisher & Phillips LLP.

18. "Effective Date" means thirty (30) calendar days after both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

19. "Final Approval" means the Court's order granting final approval of the Settlement.

20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

21. "Gross Settlement Amount" means $2,300,000 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

22. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

23. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of twenty-five percent (25%) of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.

24. "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

26. "LWDA PAGA Payment" means seventy-five percent (75%) of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

27. "Net Settlement Amount" means the Gross Settlement Amount less the following payments in the amounts approved by the Court: (a) Individual PAGA Payments; (b) LWDA PAGA Payment; (c) Class Representative Service Payment; (d) Class Counsel Fees Payment; (e) Class Counsel Litigation Expenses Payment; and (f) Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

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

29. "Operative Complaint" means the First Amended Complaint filed by Plaintiff in the Action on June 23, 2023.

30. "PAGA" means the Private Attorneys General Act of 2004 (Labor Code section 2698, *et seq*.).

31. "PAGA Notice" means Plaintiff's letter sent to the LWDA and Defendant on February 6, 2023 providing notice pursuant to Labor Code section 2699.3, subd. (a).

32. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one (1) day during the PAGA Period.

33. "PAGA Period" means the period from February 6, 2022, through October 31, 2023.

34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated seventy-five percent (75%) to the LWDA and the twenty-five percent (25%) to the Aggrieved Employees in settlement of PAGA claims.

35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

36. "Plaintiff" means Joseph Housley, the named plaintiff in the Action.

37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

38. "Released Class Claims" means the claims being released as described in Section E.2. below.

39. "Released PAGA Claims" means the claims being released as described in Section E.3. below.

40. "Released Parties" means Defendant, and each of its past, current, and future parent companies, affiliates, and subsidiaries, and any other persons, corporations, partnerships, or associated entities, as well as the past, current, and future officers, directors, members, agents, employees, insurers, stockholders, and successors and assigns of any of the foregoing.

41. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

42. "Response Deadline" means forty-five (45) calendar days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement; or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

43. "Settlement" means the disposition of the Action effected by this Settlement Agreement and the Judgment.

44. "Workweek" means any week during which a Class Member worked for Defendant for at least one (1) day during the Class Period.

B. RECITALS.

1. On February 6, 2023, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the California Labor Code he contends were violated and the theories supporting his contentions.

2. On February 7, 2023, Plaintiff filed a wage-and-hour class action lawsuit in the Superior Court of California, County of Sacramento, Case No. 34-2023-00334376-CU-OE-GDS. The lawsuit alleged violation of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code sections 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (noncompliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); (h) Labor Code section 2698, *et seq.* (PAGA); and (i) Business & Professions Code section 17200, *et seq*.

3. On June 23, 2023, Plaintiff filed a First Amended Complaint pleading exhaustion of the 65-day statutory notice period to the LWDA pursuant to PAGA.

4. After engaging in discovery, investigations, and arms-length negotiations, on February 1, 2024, the Parties remotely attended mediation with experienced neutral Lisa Klerman, Esq. that resulted in the settlement of this Action, subject to the Court's approval.

5. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged therein.

6. The Parties conducted significant investigation and discovery of the facts and law at issue, both before and after the Action was filed. In advance of mediation, Defendant produced to Plaintiff documents relating to its policies, practices, and procedures regarding reimbursement of business expenses, payment of wages to non-exempt employees for hours worked, the provision of meal and rest breaks, payroll, timekeeping, and business operations. As part of Defendant's production, Plaintiff also reviewed a sampling of employee time and pay records, and information relating to the size and scope of the Class, as well as sample data permitting Plaintiff to understand the number of Workweeks and PAGA Pay Periods. Plaintiff also located and interviewed Class Members who worked for Defendant throughout the Class Period. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130.

7. The Court has not granted class certification.

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

C. MONETARY TERMS.

1. Gross Settlement Amount. Defendant promises to pay a total maximum settlement amount of $2,300,000 and no more as the Gross Settlement Amount, which includes payments to Plaintiff and the Class Members, and/or the Aggrieved Employees for claimed wages, penalties, and interest; Class Counsel Fees Payment; Class Counsel Litigation Expenses Payment; Class Representative Service Payment; Administration Expenses Payment; and PAGA Penalties, which shall be provided to the designated Administrator upon the Court's final approval of settlement. Defendant also agrees to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Section D of this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

   a. To Plaintiff: Class Representative Service Payment of no more than $10,000 to Plaintiff (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for the Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves the Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount; said reduced approval amount shall not be cause to invalidate the Agreement. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

   b. To Class Counsel: A Class Counsel Fees Payment of no more than $805,000 (35% of the Gross Settlement Amount) and a Class Counsel Litigation Expenses Payment of no more than $20,000. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount; said reduced approval amount shall not be cause to invalidate the Agreement. Released Parties shall have no liability to Class Counsel or any other Class Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator may purchase an annuity to utilize U.S. treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. The Administrator will also pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS Form 1099. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment, hold Defendant harmless, and indemnify Defendant from any dispute or controversy regarding any division or sharing of any of these payments.

   c. To the Administrator: An Administration Expenses Payment not to exceed $20,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less, or the Court approves payment less than $20,000, the Administrator will retain the remainder in the Net Settlement Amount; said reduced approval amount shall not be cause to invalidate the Agreement.

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

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

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

e. To the LWDA and Aggrieved Employees: PAGA Penalties in the sum of $150,000 to be paid from the Gross Settlement Amount, seventy-five percent (75%) of which ($112,500) will be allocated to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which ($37,500) will be allocated to the Aggrieved Employees as their Individual PAGA Payments.

    i. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of PAGA Penalties ($37,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

    ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. In addition, the Administrator will report the Individual PAGA Payments on IRS Form 1099.

D. SETTLEMENT FUNDING AND PAYMENTS.

1. Workweeks and Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 739 Class Members, of whom approximately 551 are former employees, who worked a total of approximately 56,215 Workweeks, and approximately 433 Aggrieved Employees who worked a total of approximately 22,311 PAGA Pay Periods.

2. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than the Effective Date.

3. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Administration Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

    a. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via first-class United States Postal Service ("USPS") mail, postage prepaid. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notices were returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notices were returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the NCOA.

    b. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check, the Administrator will remail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator shall send a replacement check to any Class Member whose original check was lost or misplaced if requested by the Class Member prior to the void date.

    c. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no

"unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

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

E. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

1. Plaintiff's Release. Plaintiff and his former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges he may discover facts or law different from, or in addition to, the facts or law Plaintiff now knows or believes to be true but agrees Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

    a. Plaintiff's Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the Civil Code, which reads:

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

2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts contained in the Operative Complaint and that occurred during the Class Period. Except as set forth in Section E.3. of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

3. Release by Aggrieved Employees. All Participating and Non-Participating Class Members, who are Aggrieved Employees, are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice that occurred during the PAGA Period.

F. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

1. Plaintiff's Responsibilities. Plaintiff will move for an order: (a) conditionally certifying the Class for settlement purposes only; (b) seeking Preliminary Approval of the Settlement; (c) setting a date for the Final Approval Hearing; and (d) approving the Class Notice.

    a. Before or at the Preliminary Approval Hearing, Plaintiff will submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Administrator; approving the Class Notice; and setting the Final Approval Hearing.

    b. Defendant agrees it will not oppose Plaintiff's Motion for Preliminary Approval of the Settlement Agreement so long as the motion is consistent with the terms of the Settlement Agreement.

    c. The amounts of Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding. The Court's approval or denial of any amount requested for these items are not material conditions of this Agreement and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Agreement. Any order or proceeding relating to an application for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payment shall not operate to terminate or cancel this Agreement.

    d. If the Court declines to conditionally certify the Class or to Preliminarily Approve all material aspects of the Agreement with prejudice, the Agreement will be null and void, and the Parties will have no further obligations under the Agreement.

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

3. Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Settlement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone or email, and in good faith, to modify the Settlement and otherwise satisfy the Court's concerns.

G. SETTLEMENT ADMINISTRATION.

1. Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses Payment. The Parties and their counsel represent they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.

4. Notice to Class Members.

    a. Class Data. No later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers the Class Data omitted Class Members' identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use their best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

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

c. Before mailing Class Notices, the Administrator shall update Class Member addresses using the NCOA. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data the Class Notice substantially in the form attached to this Agreement as **Exhibit A** via first-class USPS mail. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts.

d. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall remail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and remail the Class Notice to the most current address obtained.

e. The deadlines for Class Members' written objections, challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is remailed. The Administrator will inform the Class Member of the extended deadline with the remailed Class Notice.

f. If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone or email, and in good faith, to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement no later than fourteen (14) calendar days after receipt of Class Notice or the deadline dates in the Class Notice, whichever is later.

5. Requests for Exclusion (Opt-Outs).

a. Class Members who wish to exclude themselves (opt out of) the Class Settlement must send the Administrator by fax, email, or mail a signed written Request for Exclusion no later than forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's: (i) full name; (ii) present address; (iii) email address or telephone number; and (iv) a simple statement electing to be excluded from the Settlement. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

c. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits, and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section E.2. and Section E.3. of this Agreement, regardless of whether the Participating Class Member receives the Class Notice or objects to the Settlement.

d. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Section E.3. of this Agreement and are eligible for an Individual PAGA Payment.

6. Challenges to Calculation of Workweeks and PAGA Pay Periods.

a. Each Class Member shall have forty-five (45) calendar days after the Administrator mails the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and PAGA Pay Periods shall be final and not appealable or susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and PAGA Pay Periods to Defense Counsel and Class Counsel along with the Administrator's determination of the challenges.

7. Objections to Settlement.

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

    b. Participating Class Members may send signed written objections to the Administrator by fax, email, or mail. The written objection must: (i) indicate what the Class Member is objecting to; (ii) explain why the Class Member is objecting; (iii) include any fact that support the objection; and (iv) include the Class Member's full name, present address, and email address or telephone number.

    c. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than forty-five (45) calendar days after the Administrator's mailing of the Class Notice (plus an additional 14 calendar days for Class Members whose Class Notices are remailed).

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

    a. Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use a website to post information of interest to Class Members. This information includes the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, Preliminary Approval, Class Notice, Motion for Final Approval, Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment, Final Approval, and Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

    b. Requests for Exclusion (Opt-Outs). The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity.

    c. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: (i) Class Notices mailed or remailed; (ii) Class Notices returned undelivered; (iii) Requests for Exclusion (whether valid or invalid) received; (iv) objections received; (v) challenges to Workweeks and/or PAGA Pay Periods received and/or resolved; and (vi) checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion.

d. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Settlement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

e. Administrator's Declaration. No later than sixteen (16) court days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to: (i) mailing of Class Notice; (ii) Class Notices returned as undelivered; (iii) remailing of Class Notices; (iv) attempts to locate Class Members; (v) total number of Requests for Exclusion received (both valid or invalid); and (vi) total number of written objections received. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

H. MOTION FOR FINAL APPROVAL. No later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), Proposed Final Approval Order, and proposed Judgment.

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

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

materially modified on appellate review, then the Parties will make a good faith effort to revise the terms of the Agreement. If that process fails, the settlement will be null and void. In such event, the Parties reserve their rights with respect to the prosecution and defense of the Action. Any disputes arising out of or relating to this Agreement will be submitted to the mediator for resolution. The Parties will split the costs of the mediator for any such time incurred by the mediator in reaching such resolution, and the Parties will bear their own attorneys' fees and other costs incurred.

3. Continuing Jurisdiction of the Court. The Parties agree after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and Settlement solely for purposes of: (a) enforcing this Agreement and/or Judgment; (b) addressing settlement administration matters; and (c) addressing such post-Judgment matters as are permitted by law.

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

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

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

J. ADDITIONAL PROVISIONS.

1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted. Moreover, nothing in this Agreement should be intended or construed as an admission by Plaintiff that Defendant's defenses in

the Action have merit. The Parties agree class certification and representative treatment is for purposes of this Agreement only. If, for any reason, the Court does not grant Preliminary Approval or Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. This Agreement and the Parties' willingness to settle will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Agreement).

2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (a) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (b) to counsel in a related matter; (c) to the extent necessary to report income to appropriate taxing authorities; (d) in response to a court order or subpoena; or (e) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to notify the other of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with a third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This section does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

3. No Solicitation. The Parties separately agree that they and their counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this section shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

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

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

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

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

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

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

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

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

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

14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and

electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiff:

Douglas Han
Shunt Tatavos-Gharajeh
Justice Law Corporation
751 North Fair Oaks Avenue, Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com

To Defendant:

Alden J. Parker
Christopher S. Alvarez
Jason P. Brown
Alexandra H. Mills
Fisher & Phillips LLP
621 Capitol Mall, Suite 1400
Sacramento, California 95814
(Tel) (916) 210-0400
(Fax) (916) 210-0401
aparker@fisherphillips.com
calvarez@fisherphillips.com
jbrown@fisherphillips.com
amills@fisherphillips.com

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

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

Dated: 03/28/2024 **Joseph Housley**

By: _____

Dated: March 28, 2024 **Justice Law Corporation [Approving as to Form Only]**

By: _____
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiff

Dated: _____ **SonRay Solar, Inc. dba SonRay Construction**

By: _____
On behalf of SonRay Solar, Inc. dba SonRay Construction

Dated: _____ **Fisher & Phillips LLP [Approving as to Form Only]**

By: _____
Alden J. Parker, Esq.
Christopher S. Alvarez, Esq.
Jason P. Brown, Esq.
Alexandra H. Mills, Esq.
Attorneys for Defendant

Dated: _____ **Joseph Housley**

By: _____

Dated: _____ **Justice Law Corporation [Approving as to Form Only]**

By: _____
Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Attorneys for Plaintiff

Dated: 4/3/24 **SonRay Solar, Inc. dba SonRay Construction**

By:  Tom Harris
On behalf of SonRay Solar, Inc. dba SonRay Construction

Dated: April 5, 2024 **Fisher & Phillips LLP [Approving as to Form Only]**

By: 
Alden J. Parker, Esq.
Christopher S. Alvarez, Esq.
Jason P. Brown, Esq.
Alexandra H. Mills, Esq.
Attorneys for Defendant

EXHIBIT A

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

Housley v. SonRay Solar, Inc. dba SonRay Construction (Case No. 34-2023-00334376-CU-OE-GDS)

The Superior Court for the State of California authorized this Class Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendant SonRay Solar, Inc. dba SonRay Construction ("Defendant") for alleged wage and hour violations. The Action was filed by Plaintiff Joseph Housley ("Plaintiff"), a former employee of Defendant. The Action seeks payment of:

(1) Unpaid wages for a class of current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from February 7, 2019, through October 31, 2023 ("Class," "Class Members," "Class Period"); and

(2) Penalties under the Private Attorneys General Act of 2004 ("PAGA") for all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the period from February 6, 2022, through October 31, 2023 ("Aggrieved Employees" and "PAGA Period").

The settlement has two main parts: (1) Class Settlement requiring Defendant to fund Individual Class Payments; and (2) PAGA Settlement requiring Defendant to fund Individual PAGA Payments.

Based on Defendant's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be $_____ (less withholding) and your Individual PAGA Payment is estimated to be $_____. The actual amount you may receive likely will be different and will depend on several factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records, you are not eligible for an Individual PAGA Payment under the settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendant's records showing you worked _____ Workweeks during the Class Period and worked _____ Pay Periods during the PAGA Period. If you believe you worked more Workweeks or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Class Notice.

The Court has already preliminarily approved the settlement and approved this Class Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Class Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the settlement and how much of the settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or PAGA Period, you have two (2) basic options under the settlement:

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

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

Defendant won't retaliate against you for any actions you take with respect to the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant covered by this settlement (Released Claims).
You Can Opt Out of the Class Settlement but not the PAGA Settlement **The Opt Out Deadline is** _____	If you don't want to fully participate in the settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and will no longer be eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the settlement. See Section 6 of this Class Notice. You cannot opt out of the PAGA portion of the settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by** _____	All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Class Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person or by telephone. Participating Class Members

	can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Class Notice.
You Can Challenge the Calculation of Your Workweeks / Pay Periods **Written Challenges Must be Submitted by** _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one (1) day during the Class Period and how many Pay Periods you worked at least one (1) day during the PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Class Notice. See Section 4 of this Class Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to: (1) pay overtime wages; (2) provide meal period premiums; (3) provide rest period premiums; (4) pay minimum wages; (5) timely pay final wages; (6) provide compliant wage statements; (7) reimburse business expenses; and (8) comply with the requirements of Business & Professions Code section 17200, *et seq*. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under Labor Code section 2698, *et seq*. (PAGA). Plaintiff is represented by attorneys Douglas Han and Shunt Tatavos-Gharajeh of Justice Law Corporation.

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

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Plaintiff or Defendant is correct on the merits. In the meantime, the Parties hired an experienced, neutral mediator to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful following a full day of mediation. By signing the Class Action and PAGA Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Settlement Agreement, the Parties have negotiated a settlement that is subject to the Court's Final Approval. Both sides agree the settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe: (1) Defendant agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the Settlement as fair, reasonable, and adequate, authorized this Class Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay $2,300,000 as the Gross Settlement Amount. Defendant agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").

    a. Assuming the Court grants Final Approval, Defendant shall fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than the Effective Date.

    b. "Effective Date" means thirty (30) calendar days after both of the following have occurred: (i) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (ii) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (1) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (2) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (3) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

    a. Up to $805,000 (35% of the Gross Settlement Amount) to Class Counsel as their Class Counsel Fees Payment and up to $20,000 as their Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without payment.

    b. Up to $10,000 as his Class Representative Service Payment for filing the Action, working with Class Counsel, and effectively representing the Class. The Class Representative Service Payment will be the only money Plaintiff will receive other than his Individual Class Payment and any Individual PAGA Payment.

    c. Up to $20,000 to the Administrator as the Administration Expenses Payment for services administering the Settlement.

    d. Up to $150,000 for PAGA Penalties, seventy-five percent (75%) of which ($112,500) will be paid to the LWDA as the LWDA PAGA Payment and twenty-five percent (25%) of which ($37,500) will be paid to the Aggrieved Employees as their Individual PAGA Payments based on their PAGA Pay Periods.

3. Right to Object. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

4. Net Settlement Amount Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount ("Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Workweeks.

5. Taxes Owed on Payments to Class Members. The Parties are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages ("Wage Portion") and eighty percent (80%) to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS Form W-2. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS Form 1099.

    a. While the Parties agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the settlement.

6. Need to Promptly Cash Payment Checks. The face of each check shall state checks that are not cashed within one hundred eighty (180) calendar days after the date of mailing will be voided. The Administrator will cancel all checks not cashed by the void date. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member. If the monies represented by your check is sent to the California Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

7. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing that you wish to opt out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by _____. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's: (a) full name; (b) present address; (c) email address or telephone number; and (d) a simple statement electing to be excluded from the Settlement. Non-Participating Class Members will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

a. You cannot opt out of the PAGA portion of the Settlement. In other words, Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

8. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. The Parties agreed, in either case, the Settlement will be void: (a) Defendant will not pay any money; and (b) Class Members will not release any claims against Defendant.

9. Administrator. The Court has appointed a neutral company CPT Group, Inc. ("Administrator") to send this Class Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Class Notice.

10. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement Agreement. This means unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or its related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by the Settlement Agreement. The Participating Class Members will be bound by the following release:

    a. All Participating Class Members, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts contained in the Operative Complaint and that occurred during the Class Period. Except as set forth in Section E.3. of the Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

11. Aggrieved Employees' PAGA Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who are Non-Participating Class Members, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in

the Action and resolved by the Settlement. The Aggrieved Employees will be bound by the following release:

a. All Participating and Non-Participating Class Members, who are Aggrieved Employees, are deemed to release, on behalf of themselves and their former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notice that occurred during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by: (a) dividing $37,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee during the PAGA Period.

3. Workweek / Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated on the first page of this Class Notice. You have until _____ to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Class Notice has the Administrator's contact information.

   a. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or PAGA Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defense Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, via first-class United States Postal Service ("USPS") mail, postage prepaid, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, via first-class USPS mail, postage prepaid, a single Individual PAGA Payment check to every Aggrieved Employee who is a Non-Participating Class Member.

3. **Your check will be sent to the same address as this Class Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Class Notice has the Administrator's contact information**.

6. HOW DO I OPT OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your full name, present address, email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Housley v. SonRay Solar, Inc. dba SonRay Construction* (Case No. 34-2023-00334376-CU-OE-GDS), and include your identifying information (full name, present address, and email address or telephone number). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by _____, or it will be invalid. Section 9 of the Class Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what the Parties are asking the Court to approve. At least sixteen (16) court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court: (1) a Motion for Final Approval that includes, among other things, the reasons why the Settlement is fair; and (2) a Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment stating: (a) the amount Class Counsel is requesting as the Class Counsel Fees Payment and Class Counsel Litigation Expenses; and (b) the amount Plaintiff is requesting as the Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Class Notice) will send you copies of these documents at no cost to you. You can also view these documents on the Administrator's website _____ or the Court's website https://www.saccourt.ca.gov/indexes/new-portal-info.aspx.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representative Service Payment may wish to object. The deadline for sending written objections to the Administrator is _____. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Housley v. SonRay Solar, Inc. dba SonRay Construction* (Case No. 34-2023-00334376-CU-OE-GDS) and include your full name, present address, email address or telephone number, and signature. Section 9 of this Class Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Class Notice for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 23 of the Sacramento County Superior Court located at 813 6th Street, Los Angeles, California 90014. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before deciding.

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

9. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything the Parties have promised to do under the Settlement Agreement. The easiest way to read the Settlement Agreement, Judgment, or any other Settlement documents is to go to Administrator's website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Court's website by going to https://www.saccourt.ca.gov/indexes/new-portal-info.aspx and entering the Case No. 34-2023-00334376-CU-OE-GDS. You can also go to the Court in person at the address listed in Section 8 of this Class Notice and request copies of the court documents.

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

Class Counsel:

Douglas Han
Shunt Tatavos-Gharajeh
Justice Law Corporation
751 North Fair Oaks Ave., Suite 101
Pasadena, California 91103
(Tel) (818) 230-7502
(Fax) (818) 230-7259
dhan@JusticeLawCorp.com
statavos@JusticeLawCorp.com

Administrator:

[ADMINISTRATOR]
[MAILING ADDRESS]
[TELEPHONE NUMBER]
[FAX NUMBER]
[EMAIL]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Controller's Unclaimed Property Fund at https://www.sco.ca.gov/search_upd.html for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 3

JUSTICE LAW CORPORATION

Justice Law Corporation <info@justicelawcorp.com>

Thank you for submission of your PAGA Case.

1 message

LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov> Mon, Feb 6, 2023 at 1:42 PM
To: "info@justicelawcorp.com" <info@justicelawcorp.com>

2/6/2023

LWDA Case No. LWDA-CM-934149-23
Law Firm : Justice Law Corporation
Plaintiff Name : Joseph Housley
Employer: SONRAY SOLAR, INC.
Filing Fee : $75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 4

JUSTICE LAW CORPORATION

Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Court Complaint Submission.

DIR PAGA Unit <lwdadonotreply@dir.ca.gov> Mon, Feb 13, 2023 at 12:21 PM
To: info@justicelawcorp.com

02/13/2023 12:21:48 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Court Complaint
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 5

JUSTICE LAW CORPORATION

Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Court Complaint Submission.

1 message

DIR PAGA Unit <lwdadonotreply@dir.ca.gov> Tue, Jul 11, 2023 at 11:02 AM
To: info@justicelawcorp.com

07/11/2023 11:02:39 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Court Complaint
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 6

JUSTICE LAW CORPORATION

Justice Law Corporation <info@justicelawcorp.com>

Thank you for your Proposed Settlement Submission

DIR PAGA Unit <lwdadonotreply@dir.ca.gov> Thu, May 2, 2024 at 4:39 PM
To: info@justicelawcorp.com

05/02/2024 04:38:56 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm