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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF IMPERIAL

CLEVELAND SHEPPARD, in a
Representative capacity only, and on behalf
of other members of the general public
similarly situated,

Plaintiff,

v.

MANAGEMENT & TRAINING
CORPORATION, a Delaware Corporation;
and DOES 1-10, inclusive

Defendants

CASE NO.: ECU001940
[Unlimited Jurisdiction]

*Assigned for all purposes to the
Honorable Jeffrey B. Jones, Dept. 7*

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

1 This Joint Stipulation of Class Action and PAGA Settlement and Release (“Stipulation
2 of Settlement”) is made and entered into by and between Plaintiff CLEVELAND SHEPPARD
3 (“Plaintiff”) on the one hand, on behalf of himself and all other similarly situated former and
4 current non-exempt employees of Defendant MANAGEMENT & TRAINING
5 CORPORATION (“Defendant”) on the other hand. Plaintiff and Defendant are collectively
6 referred to as the “Parties.”

7 Procedurally, the Parties attended a full-day Mediation on July 13, 2022, via Zoom.
8 With the assistance of Mediator Michael Young, Esq., the Parties reached the following binding
9 Settlement to globally resolve all class and representative wage and hour claims asserted in the
10 operative Complaint in the Action (a First Amended Complaint will be filed alleging wage and
11 hour allegations if this settlement is approved by the Court. If not approved, this action will
12 remain a PAGA only action and the First Amended Complaint will be withdrawn. Defendant
13 only stipulates to class action treatment for purposes of this settlement only).

14 This Stipulation of Settlement shall be binding on Plaintiff and those persons he seeks to
15 represent, and on Defendant and its past, current and future owners, parent companies,
16 subsidiaries, divisions, related or affiliated companies, including but not limited to, its past,
17 current and future owners, shareholders, officers, directors, fiduciaries, members, supervisory
18 committee members, volunteers, managers, employees, agents, attorneys, insurers, successors
19 and assigns, and any individual or entity who could be jointly and severally liable with any of
20 the foregoing, and their respective counsel, subject to the terms and conditions hereof and the
21 Court’s approval. The Stipulation of Settlement is also sometimes hereinafter referred to as
22 simply the “Settlement.”

23 **THE PARTIES HEREBY STIPULATE AND AGREE AS FOLLOWS FOR
24 SETTLEMENT PURPOSES ONLY:**

25 1. On June 16, 2021, Plaintiff filed a Private Attorneys’ General Act (“PAGA”)
26 Complaint in the Imperial County Superior Court on behalf of himself and all other non-exempt,
27 hourly California employees who worked for Defendant from April 12, 2020 through the
28 present, Case No. ECU001940 (“Action”). The Complaint alleged PAGA representative claims
only under California’s Private Attorneys General Act (Cal. Lab. Code § 2699, *et seq.*) for meal

1 period and rest break violations, minimum wage violations, overtime violations, wage statement
2 violations, failure to reimburse business expenses, failure to pay wages upon separation and
3 related derivative claims.

4 2. Prior to the filing of the original Complaint, on March 30, 2021, Plaintiff also
5 sent a notice to the Labor and Workforce Development Agency (“LWDA”) alleged claims for
6 meal and rest period violations, minimum wage violations, overtime violations, wage statement
7 violations, failure to reimburse business expenses, and failure to pay wages upon separation.
8 Plaintiff did not receive a written notice from the LWDA that it intended to investigate any of
9 the claims outlined in the PAGA notice letter and, as a result, Plaintiff was authorized to act as
10 Private Attorneys General as of June 16, 2021, to negotiate and resolve any PAGA claims of the
11 representative class on behalf of the LWDA.

12 3. The PAGA Period runs from April 12, 2020 to the date of Preliminary Approval
13 (“PAGA Period”).

14 4. The “PAGA Members” include all current and former non-exempt, hourly
15 employees of Defendant Management & Training Corporation or its subsidiary, MTC Medical,
16 LLC, who worked at any time in California between April 12, 2020, through the date the Court
17 enters a preliminary approval order for this Settlement.

18 5. The Class Period for (1) individuals employed at Defendant’s Taft and Imperial
19 facilities other than in the Medical Department: December 1, 2019, through the date the Court
20 enters a preliminary approval order for this Settlement, (2) individuals employed at Defendant’s
21 Los Angeles Job Corp facility: April 26, 2018, through the date the Court enters a preliminary
22 approval order for this Settlement, and (3) individuals employed at Defendant’s Taft and
23 Imperial facilities Medical Departments: September 15, 2018, through the date the Court enters
24 a preliminary approval order for this Settlement.

25 6. The “Class” or “Class Members” includes all current and former non-exempt,
26 hourly employees of Defendant Management & Training Corporation or its subsidiary, MTC
27 Medical, LLC, who worked in California during the time periods listed in Paragraph 5, above.

28 7. For the sole purpose of facilitating the Settlement in this entire Action, the Parties
shall execute and file a Joint Stipulation and Order granting leave to Plaintiff to file a First

1 Amended Complaint to add additional wage and hour class claims on behalf of all current and
2 former non-exempt, hourly employees employed during the Class Period only, which will be
3 deemed to be the operative Complaint for the purposes of Settlement and approval of such
4 Settlement terms as set forth herein. The Parties stipulate and agree that the First Amended
5 Complaint may be withdrawn in the event the Court does not grant preliminary and final
6 approval of this Settlement. The Joint Stipulation and Order, and the First Amended Complaint,
7 shall be filed no later than five (5) court days before the filing of the Motion for Preliminary
8 Approval of class action and PAGA settlement, but it is expressly understood that the filing of
9 the Joint Stipulation and Order, and the First Amended Complaint, are conditional on and subject
10 to the Court's approval of the class action and PAGA settlement. If the Settlement is not
11 approved by the Court in any manner, the Parties will revert to their original positions as if no
12 Settlement has been reached and the original Complaint alleging PAGA claims only will be the
13 operative Complaint in this matter. As this event will occur automatically, Defendant will not
14 have to file a motion to strike or any other motions to withdraw or eliminate the class action
15 claims.

16 8. It is the intention of the Parties to settle this Action as both a class action and
17 PAGA representative action. If the Court does not approve of any of the terms of the Settlement,
18 the parties expect this Action to proceed as a PAGA only action as originally pled, as set forth
19 in Paragraph 1, above.

20 9. Plaintiff's First Amended Complaint alleges claims on behalf of the putative
21 class and PAGA representative class for: (1) meal period violations or failure to pay
22 compensation in lieu thereof; (2) rest break violations or failure to pay compensation in lieu
23 thereof; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) wage statement
24 violations; (6) failure to reimburse business expenses; (7) failure to pay wages upon separation
25 from employment; (8) violations of Unfair Competition Law; and (8) violations of PAGA. The
26 First Amended Complaint seeks to recover alleged unpaid wages, meal period and rest break
27 premiums, statutory penalties, civil penalties, interest, and attorneys' fees and costs, on behalf
28 of the Class during the Class Period, and for the PAGA Members during the PAGA Period.

10. Defendant adamantly denies all material allegations set forth in the original

1 Complaint and the proposed First Amended Complaint filed in the Action, as well as the March
2 30, 2021, PAGA notice letter sent to the LWDA. Defendant's answer to the original Complaint
3 in this Action will be deemed to be the answer to the First Amended Complaint, with the general
4 denial and all affirmative defenses incorporated therein.

5 11. Plaintiff has not filed a motion for class certification in this Action (as it is
6 currently a PAGA only action), nor has a date been set by the Court for the filing of such a
7 motion. Moreover, no trial dates or related dates have been set by the Court.

8 12. This Action has been actively litigated. There have been on-going investigations,
9 formal and informal discovery, and there has been a voluminous exchange of extensive
10 documentation and information between the Parties.

11 13. For purposes of this Settlement, the "Settlement Class" shall consist of: all
12 current and former non-exempt, hourly employees of Defendant Management & Training
13 Corporation or its subsidiary, MTC Medical, LLC, who worked in California. The Class Period
14 for (1) individuals employed at Defendant's Taft and Imperial facilities other than in the Medical
15 Department: December 1, 2019, through the date the Court enters a preliminary approval order
16 for this Settlement, (2) individuals employed at Defendant's Los Angeles Job Corp facility:
17 April 26, 2018, through the date the Court enters a preliminary approval order for this
18 Settlement, and (3) individuals employed at Defendant's Taft and Imperial facilities Medical
19 Departments: September 15, 2018, through the date the Court enters a preliminary approval
20 order for this Settlement. The Settlement Class, however, shall not include any person who
21 submits a timely and valid Request for Exclusion as provided for in this Stipulation of Settlement
22 below.

23 14. For the sole purpose of settling the Action, the Parties stipulate and agree that the
24 requisites for establishing class certification with respect to the Class Members have been met
25 and are met. More specifically, the Parties stipulate and agree for the purpose of settling the
26 Action that:

27 a. The Settlement Class is ascertainable and so numerous as to make it
28 impracticable to join all Class Members and/or all PAGA Members.

b. There are common questions of law and fact including, but not limited to, the

1 following:

2 i. Whether Defendant complied with applicable laws affecting Plaintiff and
3 the Settlement Class under the California Labor Code and the Wage Orders of the California
4 Industrial Welfare Commission; and

5 ii. Whether Plaintiff and the Settlement Class are entitled to alleged wages,
6 premiums, penalties, interest, and attorneys' fees, and costs.

7 c. Plaintiff believes his claims are typical of the claims of the members of the
8 Settlement Class.

9 d. Plaintiff believes he will fairly and adequately protect the interests of the
10 Settlement Class, and that William B. Sullivan, Eric K. Yaeckel, and Ryan T. Kuhn of Sullivan
11 & Yaeckel Law Group, APC should be "Class Counsel," and will fairly and adequately protect
12 the interests of the Settlement Class.

13 e. The prosecution of separate actions by individual members of the Settlement
14 Class would create the risk of inconsistent or varying adjudications, which would establish
15 incompatible standards of conduct.

16 f. With respect to the Settlement Class, Plaintiff believes that questions of law and
17 fact common to the members of the Settlement Class predominate over any questions affecting
18 any individual Class Member or PAGA Member, and a class action is superior to other available
19 means for the fair and efficient adjudication of the controversy.

20 15. Defendant adamantly denies any liability or wrongdoing of any kind whatsoever
21 associated with the claims alleged in the Action, the First Amended Complaint or the LWDA
22 notice letter, that Plaintiff is an adequate representative to allege class and/or representative
23 claims, including possessing standing under PAGA, and further denies that, for any purpose
24 other than settling this Action, this Action is inappropriate for class or representative treatment.
25 With respect to Plaintiff's claims, Defendant contends, among other things, that it has complied
26 with all applicable state, federal and local laws affecting Plaintiff and the Settlement Class.

27 16. It is the desire of the Parties to fully, finally and forever settle, compromise and
28 discharge all disputes and claims arising from the allegations and causes of action stated in the
Action. To achieve a full and complete release of Released Parties, as defined herein, each Class

1 Member and PAGA Member acknowledges that this Stipulation of Settlement is intended to
2 include in its effect all claims contained in the operative Complaint, the First Amended
3 Complaint, the LWDA notice letter and any additional wage and hour claims that could have
4 been brought based on the facts alleged in the Complaint, through the date of entry of an Order
5 granting preliminary approval of class action and PAGA settlement and granting a full release
6 of the Released Parties (as those entities are defined herein).

7 17. Counsel for the Settlement Class have conducted a thorough investigation into
8 the facts of this Action, and have diligently pursued an investigation of Class Member and
9 PAGA Members' claims against Defendant. Based on their own independent investigation and
10 evaluation, Class Counsel are of the opinion that the Settlement with Defendant for the
11 consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable and
12 adequate and is in the best interest of the Settlement Class in light of all known facts and
13 circumstances, the risk the Class will not be certified by the Court, defenses asserted by
14 Defendant and numerous potential appellate issues. Defendant and its counsel also agree that
15 the Settlement is fair and in the best interest of the Parties.

16 18. The Parties will cooperate and take all steps necessary as appropriate to
17 consummate this Settlement and for entry of judgment in accordance with this Joint Stipulation
18 of Class Action and PAGA Settlement and Release.

19 19. This Settlement provides for a claims process requiring Defendant to pay
20 Settlement Awards (defined below) according to a specified formula on each timely and valid
21 claim submitted. The "Maximum Settlement Amount" ("MSA") under the Settlement is up to
22 Two Million Three Hundred and Twenty Seven Thousand Five Hundred Dollars and No Cents
23 (\$2,327,500.00) on a claims-made, non-reversionary basis, including the Settlement Awards,
24 the attorneys' fees, and litigation costs to Class Counsel, costs and expenses directly or indirectly
25 related to the Action (which includes all such fees, costs, expenses incurred to date, as well as
26 such fees, costs, expenses incurred in documenting the Settlement, securing approval of the
27 Settlement, administering and obtaining a judgment and dismissal of the Action before the
28 Court), the Enhancement Awards to the Class and PAGA Representative, the claims
administration costs, the PAGA award to the LWDA, penalties, and attorneys' fees and costs,

1 and any taxes or portions of taxes including the employer's share of payroll taxes, and any other
2 payments provided by the Settlement. It is understood and agreed that Defendant's maximum
3 total liability under the Settlement shall not exceed \$2,327,500.00 for any reason whatsoever. It
4 is further understood and agreed that the entire Settlement will be paid within 20 calendar days
5 of the Court granting Final Approval. The settlement will be made payable to the mutually
6 agreed upon third-party claims administrator. It is further understood and agreed that Defendant
7 shall have no obligation to pay any person, entity or organization in excess of the Maximum
8 Settlement Amount above, for any cause or reason and the Court cannot increase the Maximum
9 Settlement Amount.

10 20. Defendant represents that there are approximately 1,348 Class Members who
11 worked an estimated 102,086 workweeks during the Class Period. Should the number of
12 workweeks in the Class Period increase by more than 20% (20,417 workweeks) or exceed a total
13 of 122,503 workweeks, Defendant will have the option to increase the Gross Settlement Amount
14 by a proportionate additional amount for each additional workweek or, if Defendant declines to
15 exercise this option, the Gross Settlement Amount will cover no more than 122,503 additional
16 workweeks, and the Release date will be moved back to only cover the Class Period during
17 which no more than 122,503 workweeks were worked by the Class Members. Individual
18 workweeks subject to reduction based on previously released claims, if any. The allocation of
19 payment of claims between Class Members shall be paid based on the number of workweeks
20 worked by the Class Members during the Class Period.

21 21. Defendant represents that it is not currently in bankruptcy proceedings or
22 contemplating bankruptcy.

23 **TERMS OF SETTLEMENT**

24 22. NOW THEREFORE, in consideration of the mutual covenants, promises and
25 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

26 a. It is agreed by and among Plaintiff and Defendant that this Action and any claims,
27 damages or causes of action arising out of the Complaint, First Amended Complaint or Notice
28 to the LWDA (letter notice) which are the subject of this Action, be settled and compromised as
between the Settlement Class and Released Parties, as defined herein, subject to the terms and

conditions set forth in this Stipulation of Settlement and the approval of the Court.

b. Effective Date: If no one objects prior to Final Approval, the Effective Date will be twenty (20) calendar days after all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for the Class and Defendant; (ii) the Court has given and entered preliminary approval of the Settlement; (iii) the Class Notice has been given to the Class Members, providing them with an opportunity to submit a claim form to participate in the Settlement, object or to opt-out of the Settlement; (iv) the Court has held a formal final fairness hearing and entered an order of final approval and a judgment certifying the Settlement Class and finally approving of this Stipulation of Settlement and the terms; and (v) notice of the above has been provided to Defendant and the claims administrator.

If any individual objects to the Settlement and it is not later withdrawn prior to Final Approval, the Effective Date will be the later of the following events: (i) five (5) business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, (ii) if any appeal, writ or other appellate proceeding opposing the Court's final Order approving the Stipulation of Settlement has been filed, five (5) business days after any appeal, writ or other appellate proceedings opposing the Stipulation of Settlement has been finally and conclusively dismissed with no right to pursue further remedies or relief. Defendant agrees to fully fund the settlement on or before the effective date of the Settlement.

In this regard, it is the intention of the Parties that the Settlement shall not become Effective until the Court's entry of an order approving the Settlement as completely final, and there is no further recourse by a Class Member, an appellant or objector who seeks to contest the Settlement. It is further agreed by the Parties that this Settlement will not become Effective if Defendant, contrary to Paragraph 19 above, is required to pay more than the total amount of its maximum total liability under the Settlement as set forth in Paragraph 19 under any circumstances. It is further agreed by and between the Parties that this Settlement shall not become Effective, and Defendant shall not have any obligation (monetary or otherwise) under the terms of this Settlement, unless and until any objections, writs and/or appeals, and any rights

1 of appeal with respect to any objections or the judgment, have been finally exhausted and
2 resolved upholding the terms of this Settlement.

3 In the event Defendant fails to fund the Settlement Amount by the Effective Date, Class
4 Counsel must give Defendant's counsel five (5) court days' notice, via electronic mail to
5 Defendant's counsel, that Defendant is in default on the Settlement Amount. Defendant has ten
6 (10) court days following receipt of the notice from Plaintiff's counsel to cure the delinquency
7 by wiring the full defaulted amount to the Settlement Administrator. If Defendant has not cured
8 the default by the eleventh court day and the Court already has granted final approval of the
9 settlement, Defendant will pay interest on the Net Settlement Amount for each day that the
10 settlement is late at the rate of three percent (3%) per annum.

11 c. Maximum Settlement Amount and Net Settlement Amount: To implement the
12 terms of this Settlement, Defendant Management & Training Corporation agrees to pay up to
13 Two Million Three Hundred and Twenty-Seven Thousand Five Hundred Dollars and No Cents
14 (\$2,327,500.00) ("MSA" or "Maximum Settlement Amount") on a claims-made, non-
15 reversionary basis. This Maximum Settlement Amount will include all Class Member and
16 PAGA Member payments, the PAGA penalty payment to the LWDA, the Class and PAGA
17 Representative Enhancements, attorneys' fees, costs, third-party administration costs (including
18 translation of the Class Notice into Spanish), and the employer's share of the payroll taxes.
19 Defendant's obligation to pay the Maximum Settlement Amount shall bind its successors and
20 assigns and they cannot sell their business without ensuring that the payment obligation
21 identified herein will be assumed by the new purchaser or, alternatively, that full payment of the
22 Maximum Settlement Amount shall occur as part of the sale notwithstanding any payment
23 schedule identified in this Stipulation of Settlement.

24 The "Net Settlement Amount" or "NSA" is the amount available for potential
25 distribution to Class Members and PAGA Members, and shall be calculated by deducting from
26 the Maximum Settlement Amount: (i) Class Counsel's attorneys' fees and litigation costs
27 through final approval and judgment; (ii) the Class and PAGA Representative Enhancement
28 Award; (iii) the PAGA penalty payment to the LWDA as described further below; (iv) the fees
and expenses of the Claims Administrator; and (v) Defendant's share of payroll taxes.

Settlement Awards to the Class Members who file valid and timely claims will be calculated by the Claims Administrator and paid out of the Class Allocation as set forth below.

i. Settlement Awards to Class Members: Class Allocation will be 25% of the Net Settlement Amount, after all contingent costs are deducted (“Class Allocation”), which will be allocated as follows: 33% wages, 5% interest, and 62% penalties, including waiting time penalties. The Settlement Awards to Class Members will be determined based on the number of weeks worked by all Class Members during the Class Period based on information provided by Defendant. Defendant’s records are presumed to be accurate as they are normal business records. The workweeks will be calculated by the Claims Administrator for Class Members by dividing the total days employed as a Class Member during the Class Period by seven. Defendant’s workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims Administrator with credible written evidence. All workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator’s decision on all workweek disputes will be final and non-appealable. Prior to distribution of the Claim Form, the Claims Administrator shall calculate the individual Settlement Awards for Class Members by the following formula. The amount to be paid per workweek to eligible Class Members will be calculated by the Claims Administrator by: (1) dividing the Class Allocation by the number of workweeks worked by each Class Member during the Class Period to arrive at each Class Member’s estimated individual Settlement Award. As provided by this formula, the sum total of all individual Settlement Awards shall not exceed the Class Allocation. This estimated individual Settlement Award shall be identified on the Claim Form, and Class Members must submit a timely and valid Claim Form to be eligible to collect their individual Settlement Award. Any person who opts-out of the Settlement is not a Class Member, and is ineligible to object to the Settlement or to participate in the Settlement.

ii. Private Attorneys General Act Allocation: Subject to Court approval, the Parties agree that the amount of One-Hundred Thousand Dollars (\$100,000.00) from the Maximum Settlement Amount will be designated for satisfaction of Plaintiff’s and Class Members’ PAGA claims. Pursuant to PAGA, 75%, *i.e.*, Seventy-Five Thousand Dollars (\$75,000.00) of this sum will be paid to the LWDA and 25%, *i.e.*, Twenty Five Thousand

1 Dollars (\$25,000.00), will be distributed to Participating Class Members as part of the Net
2 Settlement Amount. For purposes of this Settlement only, and not as an admission of liability
3 otherwise, the Parties stipulate that all Participating Class Members are “aggrieved
4 employees” for purposes of distributing the \$25,000.00.

5 iii. Attorneys’ Fees and Litigation Costs: Subject to Court approval or
6 modification, Defendant further agrees to pay Class Counsel’s attorneys’ fees and litigation
7 costs as set forth in Paragraph 22 below. These fees and costs may be paid to Class Counsel as
8 they are received from Defendant provided an Order of Final Approval of this Stipulation of
9 Settlement has been granted and entered by the Court into the record. However, in no event will
10 this occur prior to the date the Settlement becomes Effective as defined in Paragraph 22.b.

11 iv. Class and PAGA Representative: The Parties agree to the designation of
12 Plaintiff as a “Class and PAGA Representative.” Subject to Court approval, Plaintiff will
13 receive a separate Class and PAGA Representative Enhancement Award of \$10,000.00.
14 Defendant agrees not to challenge the Class and PAGA Representative Enhancement Award so
15 long it is within the threshold identified in this subparagraph. The Class and PAGA
16 Representative Enhancement Award cannot exceed the amount identified herein, and is in
17 addition to any claimed individual Settlement Award to which Plaintiff is entitled as a Class
18 Member and PAGA Member. The Class and PAGA Representative Enhancement Award is to
19 be part of, and to be deducted from, the Maximum Settlement Amount. The Claims
20 Administrator will issue an IRS Form 1099-MISC for the Class and PAGA Representative
21 Enhancement Award to Plaintiff for his service as Class and PAGA Representative, and Plaintiff
22 will be responsible for correctly characterizing this compensation for tax purposes and for
23 paying any taxes on the amounts received. Should the Court approve the Class and PAGA
24 Representative Enhancement Award to the Class and PAGA Representative in an amount less
25 than the amount set forth above, the difference between the lesser amount approved by the Court
26 and the Class and PAGA Representative Enhancement Award set forth above shall be added to
27 the Net Settlement Amount for use by Class Members and PAGA Members. The Class and
28 PAGA Representative Enhancement Award may be paid as the funds are received from
Defendant provided an Order of Final Approval of this Stipulation of Settlement has been

1 granted and entered by the Court into the record. However, in no event will this occur prior to
2 the date the Settlement becomes Effective as defined in Paragraph 22.b.

3 In consideration for individual 1542 waiver, Plaintiff and PAGA representative has
4 signed an individual settlement agreement entitling him to additional monies for his greater
5 release of all claims, known and unknown, to Plaintiff against Defendant and Released Parties,
6 as defined herein.

7 v. Claims Administrator: The “Claims Administrator” will be CAC
8 Services Group, LLC or such other claims administrator as may be mutually agreeable to the
9 Parties and approved by the Court. The fees of the Claims Administrator for work done shall
10 be paid by Defendant out of the Maximum Settlement Amount, and shall not exceed \$10,000.00.
11 These costs may be paid as the funds are received from Defendant provided an Order of Final
12 Approval of this Stipulation of Settlement has been granted and entered by the Court on the
13 record. However, in no event will this occur prior to the date the Settlement becomes Effective
14 as defined in Paragraph 25.b.

15 vi. Mailing of Settlement Awards: The Claims Administrator will cause the
16 Settlement Awards to be mailed to the Class Members and PAGA Members within fourteen (14)
17 calendar days after the Claims Administrator receives the final funds from Defendant, but in no
18 event will this occur prior to the date the Settlement becomes Effective as defined in Paragraph
19 25.b.

20 vii. Claim Forms: For each Class Member, there will be pre-printed
21 information on a Claim Form mailed to Class Members, based on Defendant’s business records,
22 stating the number of weeks worked as a Class Member during the Class Period, along with each
23 Class Member’s estimated Settlement Award amount. The pre-printed information based on
24 Defendant’s records shall be presumed to be correct, unless credible written evidence to the
25 contrary is provided to the Claims Administrator (i.e. verbal claims alone are invalid). Class
26 Members are required to submit a written, valid, timely and signed Claim Form to the Claims
27 Administrator which must include the last four (4) digits of the Class Member’s Social Security
28 Number entered by the Class Member (for identification and verification purposes) in order to
receive their share of the Class Allocation. However, Plaintiff, by virtue of signing this

1 Stipulation of Settlement, will be deemed to have submitted a valid and timely claim and need
2 to take no further action. A Class Member may challenge the pre-printed information on the
3 Claim Form as to the number of weeks worked during the Class Period by submitting credible
4 written evidence to the Claims Administrator along with the Claim Form. All disputes regarding
5 weeks worked will be resolved and decided by the Claims Administrator, and the Claims
6 Administrator's decision on all disputes will be final and binding. All Claim Forms must be
7 completed in their entirety to be considered valid, including signing under penalty of perjury
8 and providing the last four (4) digits of their Social Security Number for identification and
9 confirmation purposes. Any missing information will make the Claim Form invalid.

10 viii. Payment Schedule: The full settlement amount will be paid within twenty
11 (20) days of the Effective Date to the mutually agreed upon third-party claims administrator.

12 d. Right to Rescission: If five percent (5%) or more of the Settlement Class opts-
13 out of the Settlement Class by submitting valid and timely Requests for Exclusion as set forth
14 in the Notice of Pendency of Class Action Settlement, Defendant shall have the right (but need
15 not) in its sole discretion to rescind and void the entire Settlement, before Final Approval by the
16 Court, by providing written notice to Class Counsel at least fifteen (15) business days after the
17 end of the Claims Period, provided the Claims Administrator has previously furnished
18 Defendant with the final number and percentage of valid and timely Requests for Exclusion. If
19 Defendant exercises this option, Defendant shall pay only costs of Settlement administration
20 incurred up to that date. Defendant shall not be responsible for paying any of the attorneys' fees
21 or costs set forth in this Stipulation of Settlement, or any other fees and/or costs incurred by
22 Class Counsel to effectuate this Stipulation of Settlement. Defendant's termination of this
23 Settlement shall have the same effect as would non-approval of the Settlement by the Court: the
24 Parties shall revert to their previous positions, with all parties to this Settlement to stand in their
25 same position, without prejudice, as if the Stipulation of Settlement had been neither entered
26 into nor filed with the Court, and Defendant will not stipulate to class certification and will
27 contend that a PAGA representative action is not appropriate. In addition, the First Amended
28 Complaint will be stricken or withdrawn and this Action will revert to a PAGA only action as
originally pled in the original Complaint.

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CLAIMS ADMINISTRATION

23. The Parties have agreed to the appointment of CAC Services Group, LLC to perform the customary duties of Claims Administrator; provided, however, the Parties shall have the right to select or substitute a different Claims Administrator by mutual agreement and approval by the Court. Former and current non-exempt, hourly California employees are required to submit a written, valid, timely, signed and complete Claim Form under penalty of perjury which includes the last four (4) digits of the Class Member's Social Security Number written on the actual Claim Form sent to the Claims Administrator in order to receive their share of the Net Settlement Amount. The Claims Administrator will mail the Notice of Pendency of Class Action Settlement and Claim Form to all Class Members. The Claims Administrator will independently review the Claim Forms and Defendant's data, based on Defendant's records, as to the number of weeks worked during the Class Period and will calculate the amounts due to Class Members in accordance with this Stipulation of Settlement. The Claims Administrator shall report, in summary or narrative form, the substance of its findings. At the request of Defendant, and upon receipt of funds from Defendant, the Claims Administrator will issue and send out Settlement Award checks to Class Members who filed valid and timely claims and will send to PAGA Members. The Parties shall be able to review proposed distributions (with names redacted), class workweek data, and PAGA pay period data in order to ensure correct and accurate representations are made to Class Members through the Class Notice and to PAGA Members. Tax treatment of the Settlement Awards will be as set forth herein, and in accordance with state, federal and local tax laws. All disputes relating to the Claims Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Stipulation of Settlement until all payments and obligations contemplated by this Stipulation of Settlement have been fully carried out.

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ATTORNEYS' FEES AND LITIGATION COSTS

24. In consideration for settling this Action, in exchange for the release of claims by the Settlement Class, and subject to final approval or modification by the Court, Defendant agrees to pay Class Counsel attorneys' fees not to exceed thirty-three and one third percent (33.33%) of the Maximum Settlement Amount, or in other words up to \$775,833.33 of the

1 Maximum Settlement Amount, and attorneys' costs not to exceed \$10,000.00 from the
2 Maximum Settlement Amount. Defendant will not object to Class Counsel's application for
3 attorneys' fees and litigation costs up to these amounts. The amounts set forth above will cover
4 all work performed and all fees and costs incurred to date, and all work to be performed and all
5 fees and costs to be incurred in connection with the approval by the Court of this Stipulation of
6 Settlement, the administration of the Settlement, and obtaining the Final Approval and
7 judgment. Class Counsel certifies that no liens for attorneys' fees or any further claims for
8 attorneys' fees based on referrals to Class Counsel's firm exist and agrees to indemnify
9 Defendant against any claim for attorneys' fees by any third-party beyond the amount provided
10 for in this Settlement. Should the Court approve lesser amounts for attorneys' fees and litigation
11 costs, the difference between the lesser amounts and the maximum amounts set forth above shall
12 be added to the Net Settlement Amount for distribution to Class Members and PAGA Members.

13 **NOTICE TO CLASS MEMBERS**

14 25. A Notice of Pendency of Class Action Settlement and Hearing Date for Final
15 Court Approval ("Class Notice") shall be jointly drafted by the Parties, and as approved by the
16 Court, shall be sent by the Claims Administrator to the Class Members by first class mail.
17 Accompanying the Class Notice will be a Claim Form that shall be jointly drafted by the Parties
18 and as approved by the Court. Any returned envelopes from this mailing with forwarding
19 addresses will be used by the Claims Administrator to forward the Class Notice and the Claim
20 Form to Class Members. Former and current non-exempt, hourly California employees are
21 required to submit a written, valid, timely and signed Claim Form under penalty of perjury which
22 includes the last four (4) digits of their Social Security Number written on the Claim Form by
23 the Class Member to the Claims Administrator in order to receive their share of the Net
24 Settlement Amount. Any Claim Forms that are not completed, signed under penalty of perjury
25 and/or have the last four (4) digits of the Social Security Number missing or not entered by the
26 Class Member shall be deemed defective and void.

27 a. Within fifteen (15) calendar days of entry of an Order of Preliminary Approval
28 of this Stipulation of Settlement by the Court, Defendant shall provide to the Claims
Administrator a confidential spreadsheet of the Class Member and PAGA Members' names,

1 last-known home addresses, last-known home telephone numbers if available, Social Security
2 Numbers or Federal Employment Identification Numbers, and hire and termination dates during
3 the Class Period and PAGA Period so weeks worked and pay periods can be calculated by the
4 Claims Administrator. The Parties agree the Social Security Numbers will be used only by the
5 Claims Administrator for the sole purpose of identification, confirmation of being a Class
6 Member or PAGA Member and effectuating the Settlement and will not be provided to Class
7 Counsel at any time or in any form, except as may be specifically necessary to address any
8 specific issues with the claims process. The Claims Administrator will provide Defendant with
9 a signed Confidentiality Agreement (or similar agreement) confirming it will handle the
10 sensitive Class Member and PAGA Member private information in a secure manner with limited
11 access. In the event of Class Member or PAGA Member outreach and/or further investigation
12 to locate Class Members or PAGA Members is necessary to increase the Class Member or
13 PAGA Members' participation rate in the Settlement, or to resolve disputes relating to Class
14 Member or PAGA Members' estimated share of the Net Settlement Amount, the Parties will
15 meet and confer regarding provision of the contact information and/or workweek information to
16 Class Counsel for this limited purpose. The spreadsheet provided for above, shall be based on
17 Defendant's payroll and other business records and in a reasonable format acceptable to the
18 Claims Administrator. Defendant agrees to consult with the Claims Administrator prior to the
19 production date to ensure that the format will be acceptable to the Claims Administrator and to
20 agree upon the language in a Confidentiality Agreement. The Claims Administrator will run a
21 check of the Class Member and PAGA Members' addresses against those on file with the U.S.
22 Postal Service's National Change of Address ("NCOA") List; this check will be performed only
23 once per Class Member and PAGA Member by the Claims Administrator. Within twenty (20)
24 calendar days of Preliminary Approval of this Settlement, the Claims Administrator will mail
the Class Notice and the Claim Form to Class Members.

25 b. Class Notices and Claim Forms returned to the Claims Administrator as
26 non-delivered during the thirty (30) calendar day period for the filing of timely and valid claims
27 shall be re-sent to the forwarding address, if any, on the returned envelope. If there is no
28 forwarding address, the Claims Administrator will do an NCOA check and one skip-trace return

1 mail and re-mail the Class Notice and Claim Form within five (5) calendar days of receipt using
2 the Class Member's Social Security Number; this search will be performed only once per Class
3 Member by the Claims Administrator. Upon completion of these steps by the Claims
4 Administrator, Defendant, and the Claims Administrator shall be deemed to have satisfied their
5 obligations to provide the Notice of Pendency of Class Action Settlement to the affected member
6 of the Settlement Class. The affected member of the Settlement Class shall remain a member
7 of the Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and
8 the Court's Final Approval Order and Final Judgment.

9 c. Claim Forms must be timely, completed in full, and be signed under penalty of
10 perjury to be valid. If a Claim Form is not completed in full, including missing the last four (4)
11 digits of the Social Security Number written on the Claim Form, and signed under penalty of
12 perjury, the Claims Administrator will send one deficiency notice to the Class Member within
13 fifteen (15) calendar days before the postmark deadline, advising the Class Member to cure the
14 deficiency. The deficiency notice will provide the Class Member with fifteen (15) calendar days
15 from the date of mailing of the deficiency notice to cure the deficiency; the completed Claim
16 Form must be postmarked no later than the 15th calendar day after the date of mailing of the
17 deficiency notice or on or before the deadline for the submission of Claim Forms, or, unless
18 otherwise agreed upon by the Parties, it must be rejected as untimely by the Claims
19 Administrator and void.

20 d. The Notice of Pendency of Class Action Settlement shall also identify the
21 procedures for opting-out of or objecting to the Settlement.

22 e. Class Counsel shall provide to the Court, at least sixteen (16) court days before
23 the final approval fairness hearing, a declaration from the Claims Administrator of its due
24 diligence and proof of mailing with regard to the mailing of the Notice of Pendency of Class
25 Action Settlement and the Claim Form. It shall also set forth the number of Class Notices and
26 Claim Forms mailed, the number of invalid claims, the percentage of valid claims made and
27 other usual data.

CLAIM PROCESS

28 26. Class Members will have forty (40) calendar days from the date the Claim Forms

1 are first mailed within which to postmark their Claim Forms for return to the Claims
2 Administrator. No Claim Forms will be honored if postmarked after the forty (40) calendar-day
3 period for the postmarking of Claims, unless otherwise agreed to by the Parties and their counsel,
4 except in the case of any re-mailing in which instance the Class Member will have ten (10) days
5 from the postmark date of the re-mailing to return the Claim Form to the Claims Administrator,
6 as set forth in Paragraph 26.b. Class Members are responsible to maintain a photocopy of the
7 fully completed Claim Form and a record or proof of mailing. The Parties will meet and confer
8 on late claims, and may agree to accept claims provided good cause is shown.

9 27. All original Claim Forms shall be sent directly by Class Members to the Claims
10 Administrator at the address indicated on the Claim Form. The Claims Administrator shall
11 review the Claim Forms and calculate the Settlement Awards based upon the number of valid
12 claims submitted. The Claims Administrator will certify jointly to Class Counsel and
13 Defendant's Counsel what claims were valid, complete and timely filed. Settlement Awards to
14 Class Members will be mailed by the Claims Administrator within fourteen (14) calendar days
15 after receipt of all necessary Settlement Funds from Defendant pursuant to the payment schedule
16 identified above, provided the Settlement becomes Effective as defined in Paragraph 25.b.
17 Settlement Award checks shall remain valid and negotiable for one hundred eighty (180)
18 calendar days from the date of their issuance; upon the deadline to cash the Settlement Award
19 checks, the checks will automatically be cancelled by the Claims Administrator if not cashed by
20 the Class Member within that time, at which point the Class Member's claim will be deemed
21 void and of no further force or effect, and the Class Member's claims will remain released by
22 the Settlement. The checks provided to Class Members shall prominently state the expiration
23 date or a statement that the checks will expire in one hundred eighty (180) calendar days, or
24 alternatively, such a statement may be made in a letter accompanying the check. Expired
25 Settlement Award checks will not be reissued, except for good cause and as mutually agreed by
the Parties in writing.

26 28. Returned or Uncashed Checks: If any Class Members do not cash or otherwise
27 negotiate their Settlement Award checks after the expiration date and their checks are not
28 returned, their checks will be void and a stop-payment will be placed. In such event, the amounts

1 associated with unclaimed Settlement Award checks shall be donated cypres to a nonprofit
2 charity of Defendant's choosing. The provisions of any unclaimed property statute or law do
3 not apply to this Action or this Agreement.

4 29. Upon completion of its calculation of payments, the Claims Administrator shall
5 provide Defendant with a report listing the amount of all payments to be made to each Class
6 Member and PAGA Member (unredacted). The Claims Administrator will be responsible for
7 making appropriate deductions, calculating and reporting the employer's share of payroll taxes
8 on the Settlement Awards, paying to Class Counsel any Court-approved attorneys' fees and
9 litigation costs to the extent any further payment is required, paying to the Class and PAGA
10 Representatives any Court-approved Class and PAGA Representative Enhancement Awards to
11 the extent any further payment is required, paying the LWDA seventy-five percent (75%) of the
12 amount allocated for PAGA penalties above, meeting tax reporting obligations, and for issuing
13 the individual Settlement Awards to Class Members. Proof of compliance with the Court's Final
14 Approval order, if any, will be filed with the Court within twenty-one (21) calendar days after
15 all payment obligations and the check cashing deadline for Class Members has passed.

16 **OPTING OUT OF / OBJECTING TO THE SETTLEMENT**

17 30. Opting Out of the Settlement. For those Class Members who do not wish to
18 participate in the Settlement, such Class Members may exclude themselves by submitting a
19 timely written request to the Claims Administrator. The written request ("Request for
20 Exclusion") should state that he/she has received the Notice of Pendency of Class Action
21 Settlement and Claim Form, decided not to participate in the Settlement, and words to the effect
22 that he/she desires to be excluded from the Settlement. The Request for Exclusion must also
23 state the individual's full name, address, last four (4) digits of their Social Security Number,
24 their date of birth, and be signed under penalty of perjury by the Class Member to be considered
25 valid. The Request for Exclusion must be dated and mailed by First Class U.S. Mail, or the
26 equivalent, to the Claims Administrator. All Requests for Exclusion must be postmarked and
27 mailed to the Claims Administrator no later than forty (40) calendar days after the Claims
28 Administrator mails the Class Notice and the Claim Form to the Class Members. Any individual
who submits a Request for Exclusion will not be allowed to object to the terms of the Settlement.

1 If an individual submits both a Claim Form and a Request for Exclusion, the Request for
2 Exclusion will be deemed invalid, and the individual will be included in the Settlement Class
3 and will be bound by the terms of the Settlement.

4 Class Members who submit a Request for Exclusion shall be permitted to rescind it by
5 submitting a written request to rescind their Request for Exclusion to the Claims Administrator
6 postmarked no later than twenty (20) calendar days after the Class Member's Request for
7 Exclusion is postmarked.

8 31. Objecting to the Settlement. Any individual who does not exclude
9 himself/herself from the Settlement can object to the terms of the Settlement before the deadline
10 to object to the Settlement. To object, the individual must file a written objection and a notice
11 of intention to appear at the Final Approval hearing with the Clerk of the Imperial County
12 Superior Court of the State of California and send copies to the Claims Administrator, Class
13 Counsel, and counsel for Defendant. Any written objection must state each specific reason in
14 support of the objection and any legal support for each objection. The individual must state
15 his/her full name, address, date of birth, the dates he/she worked as a non-exempt, hourly
16 California employee with Defendant and be signed by the Class Member. To be valid and
17 effective, any objections to approval of the Settlement must be filed with the Clerk of the
18 Imperial County Superior Court and delivered to the Claims Administrator, Class Counsel, and
19 counsel for Defendant no later than forty (40) calendar days after the Claims Administrator mails
20 the Class Notice and the Claim Form to the Class Members. If the Court rejects the objection,
21 the individual will be bound by the terms of the Settlement and will not receive any portion of
22 the Settlement amount unless he/she has submitted a valid and timely Claim Form.

RELEASE BY THE CLASS MEMBERS

23 32. Effective upon the date of entry of an Order of Final Approval by the Court of
24 this Stipulation of Settlement, and except as to such rights or claims as may be created by this
25 Stipulation of Settlement, the Settlement Class and each member of the Class who has not
26 submitted a valid Request for Exclusion, release Defendant Management & Training
27 Corporation, and each of its respective parent companies, subsidiaries, affiliates, joint ventures,
28 predecessors, successors, and related parties and all of their past and present directors, officers,

1 shareholders, members, managers, joint employers, co-employers, integrated enterprises,
2 representatives, employees, and anyone else acting for any of them (“Released Parties”), and
3 discharge Released Parties from all claims, rights, demands, liabilities and causes of action of
4 any nature or description, including any such claims, whether known or unknown, that were
5 litigated in the Action against Defendant or could have been litigated based on the facts and
6 circumstances alleged in the Action against Defendant, arising under the Complaint and First
7 Amended Complaint filed in the Imperial County Superior Court including, but not limited to,
8 all claims under the California Labor Code, Wage Orders and related orders of the California
9 Industrial Welfare Commission and Business and Professions Code section 17200, *et seq.* Class
10 Members, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys,
11 agents and assigns, fully and finally release and discharge the Released Parties from all claims,
12 rights, demands, liabilities and causes of action of any nature or description, including any such
13 claims, whether known or unknown, that were litigated in the Action against Defendant or could
14 have been litigated based on the facts and circumstances alleged in the Action against Defendant.
15 The claims released under this paragraph shall include, but not necessarily be limited to: all
16 claims and/or causes of action occurring during the Class Period under any federal, state or local
17 law or administrative order that were or could have been plead based on the facts alleged in the
18 operative class action and PAGA complaint and amendments, PAGA notice letters and
19 amendments, and administrative claims, whether known or unknown, including the failure to
20 provide meal and rest periods, failure to pay meal and rest periods premiums at the appropriate
21 rate of pay, failure to pay overtime wages at the appropriate rate of pay, the failure to provide
22 accurate itemized statements, the failure to reimburse necessary business expenses, and any
23 other claims whatsoever that were or could have been alleged in this case, including claims for
24 restitution and other equitable relief under Business and Professions Code section 17200,
25 conversion, liquidated damages, punitive damages, waiting-time penalties, penalties under the
26 Labor Code Private Attorneys General Act of 2004, and claims and/or penalties of any nature
27 whatsoever based on the facts alleged in the operative class action and PAGA complaint under
28 California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections
200-204, 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197,

1 1197.1, 1198, 2802, and 2698, *et seq.*; Code of Civil Procedure sections 382, 474, 1021.5; IWC
2 Wage Orders No. 4; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.*, as well as any
3 damages, restitution, disgorgement, civil penalties, statutory penalties, taxes, interest or
4 attorneys' fees or costs resulting therefrom. This release expressly excludes claims for vested
5 benefits, unemployment insurance, disability, social security, workers' compensation, and class
6 claims outside of the Class Period and PAGA claims outside of the PAGA period. The Claim
7 Form shall refer the reader to the Class Notice for a description of the other releases. The Claim
8 Form shall also include anti-fraud provisions negotiated by the Parties, including requiring the
9 last four (4) digits of the Class Member's Social Security Number to be entered by the Class
10 Member and the signing of the Claim Form under penalty of perjury. This release and waiver,
11 however, shall be conditional on the full payment of the Maximum Settlement Amount
12 necessary to fund all payment obligations as described herein.

13 33. The Claim Form mailed to the Class Members will state, "My signature below
14 constitutes a full and complete release by me of Defendant Management & Training
15 Corporation, and each of its respective parent companies, subsidiaries, affiliates, joint ventures,
16 predecessors, successors, and related parties and all of their past and present directors, officers,
17 shareholders, members, managers, joint employers, co-employers, integrated enterprises,
18 representatives, employees, and anyone else acting for any of them ("Released Parties"), from
19 all claims, rights, demands, liabilities and causes of action of any nature or description, including
20 any such claims, whether known or unknown, that were litigated in the Action against Defendant
21 or could have been litigated based on the facts and circumstances alleged in the Action against
22 Defendant, arising under the Complaint and First Amended Complaint filed in the Imperial
23 County Superior Court and the LWDA notice letter including, but not limited to, all claims under
24 the California Labor Code, Wage Orders and related orders of the California Industrial Welfare
25 Commission and Business and Professions Code section 17200, *et seq.* I make this release on
26 behalf of myself, my heirs, spouses, executors, administrators, attorneys, agents and assigns, and
27 fully and finally release and discharge the Released Parties from all claims, rights, demands,
28 liabilities and causes of action of any nature or description, including any such claims, whether
known or unknown, that were litigated in the Action against Defendant or could have been

1 litigated based on the facts and circumstances alleged in the Action against Defendant. The
2 claims released shall include, but not necessarily be limited to: all claims and/or causes of action
3 occurring during the Class Period under any federal, state or local law or administrative order
4 that were or could have been plead based on the facts alleged in the operative class action and
5 PAGA complaint and amendments, PAGA notice letters and amendments, and administrative
6 claims, whether known or unknown, including the failure to provide meal and rest periods,
7 failure to pay meal and rest periods premiums at the appropriate rate of pay, failure to pay
8 overtime wages at the appropriate rate of pay, the failure to provide accurate itemized
9 statements, the failure to reimburse necessary business expenses, and any other claims
10 whatsoever that were or could have been alleged in this case, including claims for restitution
11 and other equitable relief under Business and Professions Code section 17200, conversion,
12 liquidated damages, punitive damages, waiting-time penalties, penalties under the Labor Code
13 Private Attorneys General Act of 2004, and claims and/or penalties of any nature whatsoever
14 based on the facts alleged in the operative class action and PAGA complaint under California
15 Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200-204,
16 206.5, 210, 218.5, 226-226.5, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1,
17 1198, 2802, and 2698, *et seq.*; Code of Civil Procedure sections 382, 474, 1021.5; IWC Wage
18 Orders No. 4; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.*, as well as any damages,
19 restitution, disgorgement, civil penalties, statutory penalties, taxes, interest or attorneys' fees or
20 costs resulting therefrom. This release expressly excludes claims for vested benefits,
21 unemployment insurance, disability, social security, workers' compensation, and class claims
22 outside of the Class Period and PAGA claims outside of the PAGA period. I declare under
23 penalty of perjury under the laws of the State of California that I am entitled to a Settlement
24 Award for the Released Claims, and that the foregoing release is voluntary, true and correct."

RELEASE BY THE PAGA MEMBERS

25 34. Effective upon the date of entry of an Order of Final Approval by the Court of
26 this Stipulation of Settlement, and except as to such rights or claims as may be created by this
27 Stipulation of Settlement, each PAGA Member releases Defendant Management & Training
28 Corporation, and each of its respective parent companies, subsidiaries, affiliates, joint ventures,

1 predecessors, successors, and related parties and all of their past and present directors, officers,
2 shareholders, members, managers, joint employers, co-employers, integrated enterprises,
3 representatives, employees, and anyone else acting for any of them ("Released Parties"). PAGA
4 Members, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys,
5 agents and assigns, fully and finally release and discharge the Released Parties from all PAGA
6 claims, rights, demands, liabilities and causes of action of any nature or description, including
7 any such claims, whether known or unknown, that were litigated in the Action against Defendant
8 or could have been litigated based on the facts and circumstances alleged in the Action against
9 Defendant. The claims released under this paragraph shall include, but not necessarily be limited
10 to: all claims and/or causes of action occurring during the PAGA Period that were or could have
11 been plead based on the facts alleged in the operative class action and PAGA complaint and
12 amendments, PAGA notice letters and amendments, and administrative claims, whether known
13 or unknown, for penalties under the Labor Code Private Attorneys General Act of 2004. This
14 release expressly excludes claims for vested benefits, wrongful termination, unemployment
15 insurance, disability, social security, workers' compensation, and PAGA claims outside of the
16 PAGA period, as well as any damages, restitution, disgorgement, civil penalties, statutory
17 penalties, taxes, interest or attorneys' fees or costs resulting therefrom. This release expressly
18 excludes claims for vested benefits, unemployment insurance, disability, social security,
19 workers' compensation, and class claims outside of the PAGA claims outside of the PAGA
20 period. This release and waiver, however, shall be conditional on the full payment of the
21 Maximum Settlement Amount necessary to fund all payment obligations as described herein.

22 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

23 35. Plaintiff shall promptly submit this Stipulation of Settlement to the Imperial
24 County Superior Court in support of his Motion for Preliminary Approval of Class Action and
25 PAGA Settlement and determination by the Court as to its fairness, adequacy and
26 reasonableness; Plaintiff agrees to provide Defendant the opportunity to review, at least three
27 (3) business days before filing, his Motion for Preliminary Approval of Class Action and PAGA
28 Settlement. Promptly upon execution of this Stipulation of Settlement, Plaintiff shall apply to
the Court for the entry of an order preliminarily approving of the Settlement in a form that is

1 mutually agreeable between the Parties and also provides for the following:

2 a. Scheduling a fairness hearing on the question of whether the proposed
3 Settlement, including payment of attorneys' fees and litigation costs, costs of administration,
4 and the Class and PAGA Representative Enhancement Award should be finally approved as
5 fair, reasonable, and adequate as to the members of the Settlement Class;

6 b. Certifying a Settlement Class, Plaintiff as the Class and PAGA Representative,
7 and William B. Sullivan, Eric K. Yaeckel, and Ryan T. Kuhn of the Sullivan & Yaeckel Law
8 Group, APC as Class Counsel;

9 c. Approving as to form and content the proposed Notice of Pendency of Class
10 Action Settlement;

11 d. Approving as to form and content the proposed Claim Form;

12 e. Approving of the manner and method for Class Members to request exclusion
13 from the Settlement as contained herein and within the Notice of Pendency of Class Action
14 Settlement;

15 f. Directing the mailing of the Notice of Pendency of Class Action Settlement and
16 the Claim Form by first class mail to the Class Members;

17 g. Preliminarily approving the Settlement subject only to the objections of Class
18 Members and final review by the Court; and

19 h. Enjoining Plaintiff and all Class Members from filing or prosecuting any other
20 cases, claims, suits or administrative proceedings (including filing claims with the Division of
21 Labor Standards Enforcement of the California Department of Industrial Relations) regarding
22 the Released Claims unless and until such Class Members have filed valid Requests for
23 Exclusion with the Claims Administrator and the time for filing claims with the Claims
24 Administrator has elapsed.

25 **DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL**

26 36. Plaintiff agrees to provide Defendant the opportunity to review, at least three (3)
27 business days before filing, his Motion for Final Approval of Class Action and PAGA
28 Settlement. Class Counsel agrees to submit a proposed final order and judgment, in a form that
is mutually agreeable between the Parties and also provides for the following:

1 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
2 adequate, and directing consummation of its terms and provisions;

3 b. Approving Class Counsel's application for an award of attorneys' fees and
4 litigation costs;

5 c. Approving the Enhancement Awards to the Class and PAGA Representative; and

6 d. Upon entry of entry of final judgment, the Defendant Management & Training
7 Corporation, and each of its respective parent companies, subsidiaries, affiliates, joint ventures,
8 predecessors, successors, and related parties and all of their past and present directors, officers,
9 shareholders, members, managers, joint employers, co-employers, integrated enterprises,
10 representatives, employees, and anyone else acting for any of them ("Released Parties"), shall
11 be entitled to a release from the State of California of all PAGA claims pled or that could have
12 been pled based on the factual allegations contained in the original, amended, and operative
13 complaints or any amendments thereto and PAGA letters sent by Plaintiff that occurred during
14 the PAGA Period as to the Aggrieved Employees and shall be released by the Class Members
15 from all class and PAGA claims pled in the original, amended, and operative complaints for
16 Meal and Rest Period Violations, Minimum Wage Violations, Wage Statement Violations,
17 Failure to Reimburse, and Failure to Pay Wages Upon Separation; claims based on each and all
18 of the statutes listed above; and claims that could have been pled based on the factual allegations
19 contained in the operative complaint or any amendments thereto which occurred during the Class
20 Period, and expressly excluding claims for vested benefits, wrongful termination,
21 unemployment insurance, disability, social security, workers' compensation, and class claims
22 outside of the Class Period and PAGA claims outside of the PAGA period.

PARTIES' AUTHORITY

23 37. The signatories hereto hereby represent that they are fully authorized to enter into
24 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION

25 38. The Parties agree to fully cooperate with each other to accomplish the terms of
26 this Stipulation of Settlement, including, but not limited to, execution of such documents and
27 taking such other action as reasonably may be necessary to implement the terms of this
28

1 Stipulation of Settlement. The Parties shall use their best efforts, including all efforts
2 contemplated by this Stipulation of Settlement and any other efforts that may become necessary
3 by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set
4 forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class
5 Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all
6 necessary steps to secure the Court's final approval of this Stipulation of Settlement.

7 39. The Parties and their respective counsel agree that they will not attempt to
8 discourage Class Members from filing Claim Forms. The Parties and their counsel must not
9 encourage Requests for Exclusion. Counsel for the Class Members specifically agrees not to
10 solicit Requests for Exclusion, directly or indirectly, through any means.

11 **NO PRIOR ASSIGNMENTS**

12 40. The Parties and their counsel represent, covenant and warrant that they have not
13 directly or indirectly, assigned, transferred, encumbered or purported to assign, transfer or
14 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
15 action or right herein released and discharged except as set forth herein.

16 **NO ADMISSION**

17 41. This Agreement is entered into in compromise of disputed claims. Nothing
18 contained herein, nor the consummation of this Stipulation of Settlement, is to be construed or
19 deemed an admission of liability, culpability, negligence or wrongdoing on the part of Defendant
20 Management & Training Corporation, which specifically denies any liability, culpability,
21 negligence, or wrongdoing towards the Class and PAGA Representative, the Class Members,
22 the PAGA Members, or any other person. No part of this Agreement shall constitute an
23 admission on behalf of Defendant Management & Training Corporation, of the accuracy of any
24 fact or allegation against it or that this Action can proceed as a class action. Each of the Parties
25 hereto has entered into this Stipulation of Settlement solely with the intention to avoid further
26 disputes and litigation with the attendant inconvenience and expenses. The Parties agree that
27 this Stipulation of Settlement is not evidence that the Action filed by Plaintiff has any merit, nor
28 does it constitute an admission of any wrongdoing by Defendant Management & Training
Corporation, which does not admit to the suitability of this case for class action litigation other

1 than for purposes of this Settlement. If the Court does not grant either preliminary or final
2 approval of this Settlement, or approval is reversed upon appeal, then the Parties revert to their
3 previous positions, all parties to this Settlement shall stand in the same position, without
4 prejudice, as if the Settlement had been neither entered into nor filed with the Court (including
5 the concurrently filed First Amended Complaint alleging class claims for the purpose of
6 settlement only which will be stricken, withdrawn or whatever is needed to remove the class
7 claims), and Defendant Management & Training Corporation, will not stipulate to class
8 certification and will contend that a representative action is not appropriate. Under such
9 circumstances, Plaintiff will take immediate steps to dismiss the class claims and First Amended
10 Complaint without prejudice automatically and without Defendant having to file any law or
11 motion. Defendant further reserves any and all right to move to strike the class and PAGA
12 representative claims, challenge Plaintiff's adequacy to serve as Class and PAGA
13 Representatives, and/or challenge Plaintiff's standing to bring representative claims pursuant to
14 PAGA.

15 **ENFORCEMENT ACTIONS**

16 42. The Parties agree that the Imperial County Superior Court shall retain jurisdiction
17 to enforce the terms of this Stipulation of Settlement pursuant to California Code of Civil
18 Procedure section 664.6. In the event one or more of the Parties to this Stipulation of Settlement
19 institutes any legal action or other proceeding against any other Party or Parties to enforce the
20 provisions of this Stipulation of Settlement or to declare the rights or obligations under this
21 Stipulation of Settlement, the successful Party or Parties shall be entitled to recover from the
22 unsuccessful Party or Parties reasonable attorneys' fees and litigation costs, including expert
23 witness fees incurred in connection with any enforcement actions.

24 **NOTICES**

25 43. Unless otherwise specifically provided herein, all notices, demands or other
26 communications given hereunder shall be in writing and shall be deemed to have been duly
27 given as of the fifth business day after mailing by United States registered or certified mail,
28 return receipt requested, addressed as follows:

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To Defendant:

Dorothy L. Black (SBN 211260)
JACKSON LEWIS P.C.
 225 Broadway, Suite 2000
 San Diego, CA 92101
 Telephone: (619) 573-4900
 Facsimile: (619) 573-4901
dorothy.black@jacksonlewis.com

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1 notices to the Class.

2 **CONSTRUCTION**

3 45. The Parties hereto agree that the terms and conditions of this Stipulation of
4 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and
5 this Stipulation of Settlement shall not be construed in favor of or against any party by reason
6 of the extent to which any party or his, her or its counsel participated in the drafting of this
7 Stipulation of Settlement.

8 **CAPTIONS AND INTERPRETATIONS**

9 46. Paragraph titles or captions contained herein are inserted as a matter of
10 convenience and for reference, and in no way define, limit, extend or describe the scope of this
11 Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement is
12 contractual and not merely a recital.

13 **MODIFICATION**

14 47. This Stipulation of Settlement may not be changed, altered or modified, except
15 in writing and signed by the Parties hereto and approved by the Court. This Stipulation of
16 Settlement may not be discharged except by performance in accordance with its terms or by a
17 writing signed by the Parties hereto.

18 **INTEGRATION CLAUSE**

19 48. This Stipulation of Settlement contains the entire agreement between the Parties
20 relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous
21 agreements, understandings, representations and statements, whether oral or written and whether
22 by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived
23 except in writing.

24 **BINDING ON ASSIGNS**

25 49. This Stipulation of Settlement shall be binding upon and inure to the benefit of
26 the Parties and the Released Parties hereto, and their respective heirs, trustees, executors,
27 administrators, successors and assigns.

28 **CLASS MEMBER SIGNATORIES**

50. It is agreed that because the members of the Class are so numerous, it is

impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The Notice of Pendency of Class Action Settlement will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member of the Class.

COUNTERPARTS

51. This Stipulation of Settlement may be executed in counterparts and by PDF signatures, and when each party has signed and delivered at least one such counterpart, each counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon and effective as to all Parties.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant as of the date(s) set forth below:

Plaintiff and Class Representative

Dated: 09-20-2022 
CLEVELAND SHEPPARD

Defendant MANAGEMENT & TRAINING CORPORATION

Dated: _____ MANAGEMENT & TRAINING CORPORATION

By: _____

APPROVED AS TO FORM ONLY:

impossible or impractical to have each member of the Class execute this Stipulation of Settlement. The Notice of Pendency of Class Action Settlement will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Stipulation of Settlement were executed by each member of the Class.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant as of the date(s) set forth below:

Plaintiff and Class Representative

Dated: _____

CLEVELAND SHEPPARD

Defendant MANAGEMENT & TRAINING CORPORATION

Dated: 09/20/2022

MANAGEMENT & TRAINING CORPORATION

By: 
Bob Marquardt (Sep 20, 2022 16:28 EDT)

Scott Marquardt
President & Chief Executive Officer

APPROVED AS TO FORM ONLY:

1 Dated: 9/20/22
2
3

SULLIVAN & YAECKEL LAW GROUP, APC

4 By: 

WILLIAM B. SULLIVAN

ERIC K. YAECKEL

RYAN T. KUHN

Attorneys for Plaintiff CLEVELAND
SHEPPARD

8 DATE:
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JACKSON LEWIS P.C.

10 By: _____

DOROTHY L. BLACK

VERONICA T. HUNTER

Attorneys for Defendant
MANAGEMENT & TRAINING
CORPORATION

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Dated: _____

SULLIVAN & YAECKEL LAW GROUP, APC

By: _____

WILLIAM B. SULLIVAN
ERIC K. YAECKEL
RYAN T. KUHN
Attorneys for Plaintiff CLEVELAND
SHEPPARD

DATE: September 20, 2022

JACKSON LEWIS P.C.

By: 

DOROTHY L. BLACK
VERONICA T. HUNTER
Attorneys for Defendant
MANAGEMENT & TRAINING
CORPORATION