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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

DORCELI RIVAS, an individual, and on behalf
of herself and on behalf of all persons similarly
situated,

Plaintiffs,

vs.

SITAJI, a California Corporation; and DOES 1
through 50, Inclusive;

Defendants.

Case No. CVRI2101761

**DECLARATION OF JEAN-CLAUDE
LAPUYADE IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: March 27, 2023

Time: 8:30 a.m.

Judge: Hon. Harold W. Hopp

Dept.: 10

Reservation #: 024153637746

1 I, Jean-Claude Lapuyade, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner
4 of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for
5 Plaintiff DORCELI RIVAS (hereafter "Plaintiff") in this wage and hour class action filed against
6 SITAJI (hereinafter "Defendant").

7 2. This declaration is being submitted in support of Plaintiff's motion for Preliminary
8 Approval of Class Action Settlement.

9 **I. EXHIBITS**

10 3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Stipulation
11 of Settlement of Class and PAGA Action Claims and Release of Claims ("Agreement" or "Settlement
12 Agreement"). Attached as **Exhibit "A"** to the Agreement is a true and correct copy of the proposed
13 Class Notice.

14 4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the
15 Labor and Workforce Development Agency notice of this settlement with the Stipulation of Settlement
16 of Class and PAGA Action Claims and Release of Claims evidencing Class Counsel's compliance with
17 California Labor Code Section 2699(1)(2).

18 5. Attached hereto as **Exhibit "3"** is a true and correct copy of the bid for settlement
19 administration submitted by ILYM Group, Inc., in the amount of \$7,500. Bids were sought from
20 multiple potential administrators. ILYM Group, Inc. provided the lowest bid.

21 **II. INTRODUCTION**

22 6. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of
23 the Class Members is fair, reasonable, and adequate. The Settlement was negotiated by the Parties at
24 arm's length. The Settlement confers substantial benefits to the Class Members. The relief offered by
25 the Settlement is particularly impressive when viewed against the difficulties encountered by plaintiffs
26 pursuing wage and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Class
27 Members will not have to wait (possibly years) for relief, nor will they have to bear the risk of class
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1 certification being denied or of Defendant prevailing at trial. Given that there are approximately 180
2 Class Members, the average gross recovery is approximately \$816.66 (Net Settlement Amount divided
3 by Class Members).

4 7. As discussed below, the proposed Settlement satisfies all criteria for preliminary
5 settlement approval and falls within the range of reasonableness. The average Individual Settlement
6 Payment to the Settlement Class meets or exceeds awards in similar wage and hour class actions.
7 Moreover, the proposed Settlement Class is appropriate for provisional certification. Accordingly,
8 Plaintiff respectfully requests the Court grant preliminary approval of the Settlement.

9 **III. FACTS AND PROCEDURE**

10 **A. Overview of the Litigation**

11 8. Defendant owns and operates multiple hotels in California. This action asserts claims on
12 behalf of Defendant's non-exempt employees working at those California hotel locations. Plaintiff
13 worked for Defendant as a non-exempt employee in California between September of 2019 to May of
14 2020. At all times during her employment, Plaintiff earned an hourly wage and was entitled to legally
15 compliant meal and/or rest periods, and minimum, regular and overtime wages for all hours worked.
16 Throughout her employment, Plaintiff was subject to Defendant's written policies and procedures.

17 9. Generally, Plaintiff claims that Defendant failed to pay for all time worked, failed to
18 provide compliant meal and rest periods, failed to reimburse employees for required expenses, failed to
19 furnish accurate itemized wage statements, and failed to pay all wages when due. Defendant forcefully
20 denies liability for each of Plaintiff's claims. Further, Defendant asserts that it fully complied with all
21 applicable employment laws and raised several other significant defenses to Plaintiff's claims, including
22 but not limited to, facially compliant meal and rest period policies, compliant wage statements, and
23 timely payment of all wages.

24 10. On February 8, 2021, Plaintiff served Defendant and the Labor and Workforce
25 Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiff's PAGA
26 Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions
27 of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order and
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1 of her intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab.
2 Code Sections 2698 et seq (“PAGA”).

3 11. On April 15, 2021, Plaintiff filed a class action complaint in the Riverside Superior Court,
4 Case Number CVRI2101761 (“Action”). The Action alleged nine causes of action against Defendant
5 for: (1) Unfair Competition in Violation of California Business and Professions Code §§ 17200 *et seq.*;
6 (2) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197 and 1197.1;
7 (3) Failure to Pay Overtime Wages in Violation of California Labor Code §§ 510 *et seq.*; (4) Failure to
8 Provide Required Meal Periods in Violation of Cal. Lab. Code §§ 226.7 and 512; (5) Failure to Provide
9 Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 and 512; (6) Failure to Reimburse
10 Employees for Required Expenses in Violation of Cal. Lab. Code § 2802; (7) Failure to Provide
11 Accurate Itemized Wage Statements in Violation of Cal. Lab. Code §§ 226 and 226.2; (8) Failure to
12 Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203; and (9) Violation of the
13 Private Attorneys General Act [Labor Code §§ 2698 *et seq.*]

14 12. The Parties agreed to mediate the Action with Kelly A. Knight, Esq., an experienced wage
15 and hour mediator. To prepare for mediation, the Parties agreed to informally additional documents and
16 data points subject to the mediation privilege, including but not limited to, the Class Members’ time
17 data and certain payroll data points. As discussed *infra*, Plaintiff’s counsel retained the forensic
18 consultants at Berger Consulting Group (“BCG”) to analyze Defendant’s time and payroll data.

19 13. On March 11, 2022, the Parties participated in a full day mediation with Mediator Knight.
20 After arms-length negotiations and bargaining, the mediation concluded in settlement after both sides
21 agreed to a mediator’s proposal, which was subsequently memorialized in the form of a Memorandum
22 of Understanding. The Parties drafted and negotiated a long-form settlement agreement, which is the
23 subject of the instant motion.

24 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

25 14. Months before filing the Action, Class Counsel began its pre-filing investigation into the
26 Plaintiff’s complaints. Class Counsel’s investigation started with several lengthy interviews with
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1 Plaintiff. At the conclusion of the interviews, Class Counsel determined that each Plaintiff's complaints
2 justified further inquiry.

3 15. Considering the many anticipated factual disputes, the Parties agreed, relatively early in
4 the litigation, that it would be in the best interest of both Parties to mediate the matter. To prepare for
5 mediation, Class Counsel requested documents and data points to further evaluate Plaintiff's claims and
6 Defendant's liability exposure to the Class Members. In response to Class Counsel's request, Defendant
7 produced the time records for the Class Members, aggregate workweek and pay period data for the
8 Class Members, average hourly rate for the Class Members, and copies of applicable handbooks,
9 policies, and agreements containing, *inter alia*, compensation, timekeeping and meal and rest period
10 policies. In total, Defendant produced more than 1,000 pages of pertinent policy documents and time
11 and payroll data for Class Counsel to analyze.

12 16. Class Counsel then retained the statisticians and economists at BCG to evaluate the Class
13 Members' payroll and time data. BCG provides data analysis and damage modeling consulting services
14 specializing in wage and hour class actions. BCG's team of financial and data analysts are credentialed
15 and experienced experts in their fields and have provided their expertise on thousands of cases. Stated
16 differently, the BCG is uniquely qualified to analyze Defendant's time and payroll data.

17 17. BCG analyzed Defendant's time and payroll data to assist in the development of various
18 damage models. Among other things, BCG determined the approximate number of work shifts, pay
19 periods, and average number of hours worked per shift during the Class Period. BCG also estimated the
20 number of unpaid minimum wage hours, unpaid overtime hours, the number of meal and rest break
21 violations, as well as the total damages due to unreimbursed business expenses during the Class Period.

22 18. In advance of mediation, Class Counsel created several damage models predicated on the
23 BCG analysis. Class Counsel's models calculated Defendant's potential liability exposure while
24 accounting for the uncertainties of continued litigation. These damage models informed and guided
25 Class Counsel during the mediated settlement discussions.

26 19. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
27 determining Plaintiff's suitability as a putative class representative through interviews, background
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1 investigations, and analysis of her employment files; (2) evaluating all of Plaintiff's potential claims;
2 (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions,
3 and the type of employer; (4) analyzing the Settlement Class' time and payroll records; (5) analyzing
4 Defendant's labor policies and practices; (6) researching settlements in similar cases as well as
5 outstanding issues which could affect settlement approval; (7) evaluating Plaintiff's claims and
6 estimating Defendant's liability for purposes of settlement; (8) drafting the mediation brief; and (9)
7 participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and
8 magnitude of the claims being settled, as well as the impediments to recovery, such as to make an
9 independent assessment of the reasonableness of the terms to which the Parties have agreed.

10 **C. The Parties Settled at Mediation**

11 20. On March 11, 2022, the Parties conducted a full day of mediation with Kelly Knight,
12 Esq., an experienced wage and hour mediator. Mediator Knight helped manage the Parties' expectations
13 and provided a useful, neutral analysis of the issues and risks to both sides. The Parties made substantial
14 progress with Mediator Knight's assistance. Namely, the Parties exchanged information regarding their
15 respective claims and defense, including their respective evaluation of the damages. After nearly eight
16 hours of arm's length and adversarial negotiations, the mediation nearly concluded without a settlement.
17 However, at the conclusion of the mediation, Mediator Knight issued a proposal for settlement that the
18 Parties accepted. The complete and final terms of the Parties' settlement are now set forth in the
19 Agreement. Class Counsel submits that the Settlement constitutes a fair, adequate, and reasonable
20 compromise of the claims at issue.

21 21. Once the Parties agreed to the Mediator's proposal, the Parties engaged in protracted
22 negotiations regarding the written terms of the class action settlement. The Parties maintained the arm's
23 length, non-collusive and adversarial negotiations while arriving at the final terms of the Settlement.
24 The Agreement is the final product of these mediated negotiations. Objectively, the Settlement terms
25 are fair, adequate and represent a reasonable compromise of the claims at issue.

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1 **IV. ARGUMENT**

2 **A. The Court Should Preliminarily Approve the Settlement**

3 22. The Gross Settlement Amount of \$285,000 is fair and reasonable considering the nature
4 and magnitude of the claims being settled and the various potential impediments to recovery. Prior to
5 mediation, Class Counsel retained BCG to develop economic damage models measuring Defendant's
6 liability exposure while accounting for the uncertainties of continued litigation. The various models
7 were informed by Class Counsel's investigation, including the analysis of a significant sample of time
8 and payroll data. Class Counsel projected Defendant's liability exposure for *class claims* (excluding
9 PAGA Penalties) at \$1,303,598 if successful at trial. Thus, the Gross Settlement Amount of \$285,000
10 represents approximately 21.6% of Defendant's *class-wide* liability exposure as estimated by Class
11 Counsel at the time of mediation. The following summarizes Defendant's estimated exposure.

12 23. Plaintiff alleges that Defendant had in place a facially unlawful on-duty meal period
13 policy. Specifically, Defendant relied on a meal period waiver that it requires its employees to sign to
14 support its universal failure to provide Plaintiff and Class Members with meal periods.

15 24. Further, Plaintiff alleges that Defendant employed an unlawful meal period rounding
16 policy. Specifically, Defendant required Plaintiff and other Class Members to input exact thirty-minute
17 meal breaks on their timesheets.

18 25. Conversely, Defendant argued that its on-duty meal period policy is valid as it was signed
19 by each employee, confirming that they agreed to remain on-duty during their meal periods. Similarly,
20 Defendant argued it could rebut the presumption of noncompliant meal periods created by its rounding
21 policy by presenting evidence that employees had in fact been provided compliant meal periods during
22 which they chose to work, as evidenced by their signed on-duty meal waivers. Thus, Defendant argued
23 that there was no potential liability for Plaintiff's alleged meal period violations.

24 26. Plaintiff's meal period claim (together with the rest period claim) likely represented the
25 most factually contested claim in the Action. Accounting for the strength of Defendant's defenses, and
26 the arguably individualized nature of the claim, Plaintiff heavily discounted Defendant's potential
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1 liability for meal period violations. Plaintiff estimated the damages for this claim at approximately
2 \$422,000.

3 27. Plaintiff also alleges that Defendant failed to provide compliant rest periods. Specifically,
4 Plaintiff alleges that because of Defendant's policy and practice, they were not able to take timely and duty-
5 free rest periods.

6 28. Again, Defendant denied liability and asserted that it maintained legally compliant rest period
7 policies and practices throughout the Class Period. Plaintiff estimated the damages for this claim at
8 approximately \$422,000.

9 29. Plaintiff alleges that Defendant failed to pay for all hours worked by maintaining unlawful
10 rounding and overtime policies. Specifically, Defendant's timesheets show exact, quarter-rounded
11 clock-in and clock-out times, resulting in the underpayment of Plaintiff and Class Members.
12 Additionally, Defendant had in place a policy and practice that failed to pay Plaintiff and Class Members
13 for all overtime worked.

14 30. Defendant denied liability and asserted that its rounding policy was neutral, both facially
15 and applied. Plaintiff estimated the damages for this claim at approximately \$102,000.

16 31. Plaintiff alleges that Defendant failed to reimburse its employees for mandatory business
17 expenses. Specifically, Plaintiff and Class Members, as a business expense, were required by Defendant
18 to use their own personal cellular phones as a result of and in furtherance of their job duties as employees
19 for Defendant but were not reimbursed or indemnified by Defendant for the cost associated with the
20 use of their personal cellular phones for Defendant's benefit.

21 32. Plaintiff estimated Defendant's exposure for this claim at approximately \$79,000.

22 33. Plaintiff alleges that Defendant's alleged violations resulted in derivative violations of
23 Labor Code section 203 and 226. Although these *penalties* collectively represented Defendant's largest
24 dollar amount of exposure, Class Counsel considered these penalties and weighed the potential
25 recoveries against probable defenses. Specifically, Defendant could argue that Plaintiff could not prove
26 the "willful" prong needed to obtain waiting time penalties under Labor Code section 203. Additionally,
27 Defendant could argue that Plaintiff could not show that Class Members suffered an "injury" because

1 of wage statement violations, as required by Labor Code section 226. Plaintiff would have to overcome
2 precedent to prove the Class deserved the penalties. *See, e.g., Howard v. CVS Caremark Corp.*, 2014
3 U.S. Dist. LEXIS 172406 (C.D. Cal. Dec. 9, 2014) (denying class certification for the same penalty
4 claims); *Alonzo v. Maximus, Inc.*, 832 F. Supp. 2d 1122, 1134-1137 (C.D. Cal. 2011) (finding
5 insufficient evidence of bad faith or actual injury). These claims represented Plaintiff's most legally
6 precarious and uncertain claims. Notwithstanding the uncertain nature of the claims, Plaintiff estimated
7 Defendant's *maxim* exposure for these claims at approximately \$431,000.

8 34. Class Counsel's damage models also estimated Defendant's exposure for PAGA
9 penalties. At the time of mediation, Plaintiff estimated Defendant's PAGA exposure was approximately
10 \$786,500. Given that there are approximately 94 Aggrieved Employees, the estimated recovery for each
11 Aggrieved Employee is approximately \$26.59 (Aggrieved Employee Payment divided by Aggrieved
12 Employees).

13 35. In order to recover any PAGA penalties, Plaintiff would be required at trial to prove each
14 of the underlying Labor Code violations. *See Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist.
15 LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a plaintiff cannot
16 recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor
17 Code by the defendant."). Here, Plaintiff would need to prove that each Aggrieved Employee suffered
18 a violation for each pay period the employee worked. Again, Defendant raised several defenses that
19 presented serious threats to the claims of the Plaintiff and the Aggrieved Employees. In addition to
20 those arguments discussed *supra*, Defendant also argued that the Court of Appeals decision in *Cacho*
21 *v. Eurostar, Inc.* (2019) 43 Cal.App.5th 885, weakened Plaintiff's claims, on liability, value, and
22 manageability as to the rest period claims. In all, Plaintiff's PAGA liability exposure is hotly contested.

23 **B. Litigation Risks**

24 36. Although Plaintiff is confident about the strength of her claims, it would be foolish to
25 ignore the most immediate risk to continued litigation, i.e., class certification. Class certification is far
26 from certain in this, in part, meal and rest period case. Class certification is routinely denied for meal
27 and rest period claims based on an inability to establish predominance.

37. Plaintiff recognizes that Defendant has factual and legal defenses that, if successful, would potentially defeat or substantially impair the value of Plaintiff's lawsuit. Collectively, the examples cited in Plaintiff's brief illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement.

38. Finally, continuing to litigate this action would require continued and extensive resources coupled with significant Court time to proceed through trial and post-trial motions; which can often take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates extensive expert testimony, particularly with regards to damages. But even if Plaintiffs are successful at trial, Plaintiffs are acutely aware that a judgment does not end the litigation. Plaintiffs fully expects that Defendant would appeal any favorable judgment.

39. In this matter, Class Counsel negotiated a Gross Settlement Amount of \$285,000 that is roughly 21.6% Defendant's maximum class wide liability exposure. Given the amount of the settlement here, as compared to potential value of the claims, offset by the various inherent risks to continued litigation, the settlement is fair and reasonable.

B. Proposed Notice Informs the Class About the Case and Settlement

40. The Parties jointly drafted the Class Notice which fairly and neutrally informs the Class Members of their rights and remedies. The Settlement Administrator will first verify addresses, then mail the proposed Class Notice to all Class Members. The Notice will include information regarding the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class definition, the procedure and time period within which to requests for exclusions or objections to the Settlement, the date for the final approval hearing, the formula used to calculate settlement payments, and the terms and scope of the Released Claims. Agreement at §III(L). This method was negotiated by the Parties to ensure delivering the most reasonable method of notice to the Class Members while ensuring cost effective administration of the Settlement.

41. As detailed in the Agreement, the method of disseminating the proposed Class Notice and contents of the Proposed Class Notice satisfy due process and the California Rule of Court 3.766.

48. The statutes relating to each of Plaintiff's claims apply with equal force and effect to the entire Settlement Class. Factually, Defendant's policies and practices apply class-wide and Defendant's liability can be determined by facts common to all members of the class. The wage and hour issues are both numerous and substantial, and a class action is the most advantageous method of dealing with the claims of the Settlement Class.

49. Plaintiff's wage and hour claims are typical of the proposed Settlement Class because they arise from the same factual basis and are based on the same legal theories applicable to the other Class Members. Likewise, Plaintiff's interests are entirely coextensive with the interests of the Settlement Class. Plaintiff alleges that she was injured by the same company-wide practices to which the proposed Class Members were subject to and seek the same relief. Plaintiff has already demonstrated her ability to advocate for the interests of the Class Member by initiating this litigation, undertaking discovery in order to meaningfully mediate, and evaluating the proposed settlement to assure that it is fair.

50. A class action is superior to a multitude of individual lawsuits. Given the size and amount of each individual claim, the Class Members likely have little incentive to litigate their claims on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case adjudication.

F. Class Counsel’s Experience

51. Plaintiff, the Settlement Class Members and the Aggrieved Employees are represented by competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC (“Firm”), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and consumers throughout California in wage and hour class actions, PAGA Actions and complex multi-party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq. (Partner/Owner), Tesla Stone (Paralegal), Leilani Edmunds (Legal Secretary), Amanda De Blouw (Legal Assistant).

1 52. I am qualified to represent the Plaintiff, the State of California and the Aggrieved
2 Employees. I have extensive experience with wage and hour class and representative actions litigation
3 like this matter, and employment matters in general. Additionally, I have extensive complex mass tort
4 litigation experience and complex construction product liability experience. I can, will and have
5 adequately represented the interests of the Plaintiff, the State of California and the Aggrieved
6 Employees throughout this action.

7 53. I have represented consumers and employees in California class actions, and complex
8 multi-party product liability actions exclusively for more than 13 years. I have been in practice as a
9 plaintiffs' civil litigation attorney since April 2007.

10 54. I have significant class counsel and collective action counsel experience. I served as class
11 and/or collective (PAGA) counsel in the following matters:

12 a. *Nunes v. Home Depot U.S.A., Inc.* San Joaquin Superior Court Case No. Case
13 No. STK-CV-UOE-2020-0011011 (October 20, 2021 – Hon. Roger Ross appointed the
14 Jean-Claude Lapuyade, Esq. as Class Counsel and approved a \$1.5 million dollar wage
15 and hour class and PAGA action settlement for, among things, unpaid off-the-clock
16 work.

17 b. *Munoz v. AMTCR, Inc.*, San Bernardino Superior Court Case No.
18 CIVDS2001914 (August 24, 2021 – Hon. David Cohn approved a \$1.85 million dollar
19 wage and hour class and PAGA action for, among other things, inaccurate itemized wage
20 statements, and appointed the JCL Law Firm, APC as Class Counsel.)

21 c. *Rodriguez v. RSI Home Products, Inc.*, San Bernardino Superior Court Case No.
22 CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a \$1.45 million class and
23 PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed
24 the JCL Law Firm, APC as Class Counsel)

25 d. *Jer Vang v. Bridge Property Management*, Alameda County Superior Court,
26 Case No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and
27 PAGA settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC
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1 acted as class counsel for the settlement class and as representative PAGA counsel the
2 State of California and the Aggrieved Employees.)

3 e. *Johnson v. Volt Management Corp., Inc. et al.*, Los Angeles County Superior
4 Court, Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a
5 PAGA Settlement negotiated on behalf of the State of California and the aggrieved
6 employees by the JCL Law Firm, APC.)

7 f. *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior
8 Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed
9 the JCL Law Firm, APC as class counsel and approved a class and PAGA settlement
10 for, *inter alia*, missed meal and rest periods.)

11 g. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court,
12 Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA
13 Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC
14 acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.)

15 h. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No.
16 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL
17 Law Firm as Class Counsel and granted final approval of wage and hour class action for,
18 *inter alia*, off-the-clock work.)

19 i. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-
20 00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class
21 Counsel and granted final approval of wage and hour class action for off-the-clock
22 work.)

23 j. *Krake et al., v. Central Valley Diner, Inc.*, Placer County Superior Court Case
24 No. SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm
25 as class counsel and granted final approval of wage and hour class action for meal period
26 violations.)

1 k. *Conner v. Ascendant Marketing, LLC et al.*, San Diego Superior Court Case No.
2 37-2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of
3 PAGA Settlement for, among other things, off-the-clock work. JCL Law Firm, APC
4 acted as lead counsel.)

5 l. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No. 37-
6 2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement
7 for, *inter alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead
8 counsel.)

9 m. *Moreno v. Dash Lube, et al.*, United States District Court, Southern District of
10 California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class
11 certification of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as
12 Class Counsel.)

13 n. *Perkins et al., v. Tahiti Enterprises, Inc., et al.*, Orange County Superior Court
14 Case No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law
15 Firm, APC, as Class Counsel and granted final approval for an unlawful housing class
16 action settlement arising out of Civil Code Section 1940.1.)

17 o. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-
18 00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as
19 class counsel and granted final approval of wage and hour class action for unpaid
20 overtime.)

21 p. *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case
22 No. 37-2018-00043601 (May 31, 2019 – Hon, Gregory Pollack appointed JCL Law
23 Firm, APC, as Class Counsel and granted preliminary approval for the wage and hour
24 class action settlement involving nearly 900 current and former employees. Final
25 approval scheduled for October 4, 2019)

26 q. *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No.
27 CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC,
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as Class Counsel and granted final approval for a wage and hour class action settlement for *inter alia*, missed meal and rest periods and independent contractor misclassification.)

r. *Moschetto v. Pillow Global, Inc. San Diego Superior Court*, Case No. 37-2017-00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm, APC, as Class Counsel and granted final approval for a wage and hour wage class action settlement involving misclassified house cleaners.)

s. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No. 37-2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful housing class action arising under Civil Code Section 1940.2)

t. *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W. Pollock appointed JCL Law Firm, APC as Class Counsel and granted final approval for a wage and hour class action settlement for meal and rest period violations);

u. *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court Case No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law Firm, APC, as Class Counsel and granted final approval for a wage and hour class action settlement involving claims for on duty meal and rest periods.);

v. *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court Case No. BC603030 (2018 - certified and settled wage and hour class action.)

w. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and rest periods)

x. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee misclassification);

1 y. *Crawford v. Outlook Amusements, Inc.*, Los Angeles Superior Court Case No.
2 BC617160 (2017 - Certified and settled wage and hour class action.);

3 z. *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case
4 No. CIVDS1505181 (2016 - Certified and settled wage and hour class action);

5 aa. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-
6 CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices
7 arising out of Civil Code Section 1940.1);

8 55. Since 2010, my firm has successfully resolved more than sixty (65) cases and recovered
9 in excess of \$75 million on behalf of the Firm's clients.

10 56. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a
11 favorable verdict for the firm's clients.

12 57. Finally, I have published appellate experience in *William Blanchette et al., v. The*
13 *Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

14 58. Consequently, I was named to the prestigious Thomson Reuters, Super Lawyers, Rising
15 Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers, Rising
16 Star list recognizes the top 2.5% of eligible attorneys. (see
17 https://www.superlawyers.com/about/selection_process.html.)

18 59. I am not aware of any class, representative, or other collective action in any other court
19 in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a
20 class or group of individuals some or all of whom would also be members of the class defined in this
21 action. I made reasonable inquiry of other members of my law firm and associated law firms to
22 determine whether those attorneys are aware of any such similar actions, which they are not.

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1 I declare under the penalty of perjury under the laws of the State of California that the foregoing
2 is true and correct. Executed this 2 day of February 2023, at San Diego, California.

3
4 **JCL LAW FIRM, APC**

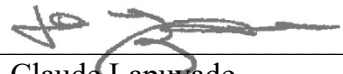
5 By: 
6 Jean-Claude Lapuyade
7 Attorneys for Plaintiff
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EXHIBIT 1

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
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SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

DORCELI RIVAS, an individual, and on
behalf of herself and on behalf of all persons
similarly situated;

Plaintiff,

v.

SITAJI, a California Corporation; and DOES
1-50, Inclusive,

Defendants.

Case No. CVRI2101761

[Action Filed 04/15/2021]

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

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between plaintiff DORCELI RIVAS (hereinafter “Plaintiff”), an individual, on
3 behalf of the Settlement Class, and in her representative capacity on behalf of the State of California
4 and the Aggrieved Employees, and defendant SITAJI, a California Corporation (hereinafter
5 “Defendant”):

6 **I. DEFINITIONS**

- 7 A. “Action” shall mean the putative class action lawsuit designated *Rivas v. Sitaji*,
8 Riverside County Superior Court, Case No. CVRI2101761, filed April 15, 2021.
- 9 B. “Aggrieved Employees” shall mean all non-exempt employees who are or previously
10 were employed by Defendant and performed work in California during the PAGA
11 Period.
- 12 C. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
13 Class Action and Release of Claims.
- 14 D. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and
15 Shani Zakay of Zakay Law Group, APLC.
- 16 E. “Class Counsel Award” means the award of fees and expenses that the Court
17 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
18 and the Class in the Action, consisting of attorneys’ fees currently not to exceed one-
19 third of the Gross Settlement Amount currently estimated to be \$95,000 out of
20 \$285,000 plus costs and expenses in the amount of \$15,000. Class Counsel’s award
21 for attorneys’ fees will be divided equally between Class Counsel (50% to JCL Law
22 Firm, APC and 50% to Zakay Law Group, APLC).
- 23 F. “Class Data” means information regarding Class Members that Defendant will in
24 good faith compile from its records and provide to the Settlement Administrator. It
25 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
26 Member’s full name; last known address; Social Security Number; start dates and end
27 dates of employment.

- 1 G. "Class Members" or the "Class" means all non-exempt employees who are or
2 previously were employed by Defendant and performed work in California during the
3 Class Period.
- 4 H. "Class Period" means the period between April 15, 2017 to March 11, 2022.
- 5 I. "Class Representative Service Award" means the amount that the Court authorizes to
6 be paid to the Class Representative, in addition to her Individual Settlement Payment
7 and her pro-rata share of the PAGA Settlement, in recognition of her efforts and risks
8 in assisting with the prosecution of the Action and in exchange for executing a
9 General Release of Defendant.
- 10 J. "Class Representative" shall mean plaintiff DORICELI RIVAS.
- 11 K. "Court" means the Superior Court for the State of California, County of Riverside
12 currently presiding over the Action.
- 13 L. "Defendant" shall mean SITAJI.
- 14 M. "Effective Date" means the earliest date, following entry by the Court of an order
15 and judgment finally approving this Settlement, upon which one of the following have
16 occurred: (i) if no objection is filed to the settlement and no objector appears at the
17 hearing on final approval, the date of the Court's entry of the order granting final
18 approval, (ii) if an objection is filed to the settlement and/or an objector appears at the
19 hearing on final approval, then the earlier of the following: (a) the expiration of all
20 potential appeal periods without a filing of a notice of appeal of the final approval
21 order or judgment; (b) final affirmance of the final approval order and judgment by
22 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
23 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
24 the final approval order and judgment is no longer subject to further judicial review.
- 25 N. "Funding Date" shall mean sixty-five (65) calendar days after the Effective Date and
26 is the date Defendant transfers the Gross Settlement Amount into the QSF in accord
27 with the terms of this Agreement.
- 28

- 1 O. "Gross Settlement Amount" means Two Hundred Eighty-Five Thousand Dollars
2 (\$285,000.00) that Defendant must pay into the QSF in connection with this
3 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
4 Representative Service Award, the Class Counsel Award, PAGA Settlement and the
5 Settlement Administration Costs and *exclusive* of the employer's share of payroll tax,
6 if any, triggered by any payment under this Settlement.
- 7 P. "Individual Settlement Payment" means the amount payable from the Net Settlement
8 Amount to each Settlement Class Member and excludes any amounts distributed to
9 Aggrieved Employees pursuant to PAGA.
- 10 Q. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class
11 Counsel Award, Class Representative Service Award, PAGA Settlement, and
12 Settlement Administration Costs.
- 13 R. "Notice Packet" means the Class Notice to be provided to the Class Members by the
14 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
15 than formatting changes to facilitate printing by the Settlement Administrator).
- 16 S. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
17 Labor Code § 2698 *et seq.*
- 18 T. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period
19 for each Aggrieved Employee divided by the sum total of the pay periods for all
20 Aggrieved Employees during the PAGA Period.
- 21 U. "PAGA Pay Periods", for purposes of calculating the distribution of the Aggrieved
22 Employee Payment, as defined herein, means the number of pay periods of
23 employment during the PAGA Period that each Aggrieved Employee worked in
24 California.
- 25 V. "PAGA Period" means the period between February 8, 2020 until March 11, 2022
26 (the "PAGA Period").
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- 1 W. "PAGA Settlement" shall mean Ten Thousand Dollars (\$10,000) to be allocated from
2 the Gross Settlement Amount.
- 3 X. "Parties" means Plaintiff and Defendant, collectively, and "Party" shall mean either
4 Plaintiff or Defendant, individually.
- 5 Y. "Class Payment Ratio" means the respective Workweeks for each Class Member
6 divided by the sum total Workweeks for all Class Members.
- 7 Z. "Plaintiff" shall mean DORICELI RIVAS.
- 8 AA. "QSF" means the Qualified Settlement Fund established, designated and maintained
9 by the Settlement Administrator to fund the Gross Settlement Amount.
- 10 BB. "Released Class Claims" means all class claims which are alleged in the operative
11 complaint, or could have been alleged based upon the facts in the operative complaint,
12 which occurred during the Class Period, and expressly excluding all other claims,
13 including claims for vested benefits, wrongful termination, unemployment insurance,
14 disability, social security, workers' compensation, and class claims outside of the
15 Class Period.
- 16 CC. "Released PAGA Claims" means all PAGA claims which are alleged in the operative
17 complaint and Plaintiff's PAGA notice to the LWDA which occurred during the
18 PAGA Period, and expressly excluding all other claims, including claims for vested
19 benefits, wrongful termination, unemployment insurance, disability, social security,
20 workers' compensation, and PAGA claims outside of the PAGA Period. As a result
21 of this release, PAGA Class Members shall be precluded from bringing any claims
22 for the Released PAGA Claims.
- 23 DD. "Released Party" shall mean Defendant.
- 24 EE. "Response Deadline" means the date forty-five (45) days after the Settlement
25 Administrator mails Notice Packets to Class Members and the last date on which
26 Class Members may submit requests for exclusion or objections to the Settlement.
- 27 FF. "Settlement" means the disposition of the Action pursuant to this Agreement.

GG. “Settlement Administrator” means ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement Administrator establishes, designates and maintains, as a QSF under Internal Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which the amount of the Gross Settlement Amount is deposited for the purpose of resolving the claims of Settlement Class Members. The Settlement Administrator shall maintain the funds until distribution in an account(s) segregated from the assets of Defendant and any person related to Defendant. *All accrued interest shall be paid and distributed to the Settlement Class Members as part of their respective Individual Settlement Payment.*

HH. “Settlement Class Members” or “Settlement Class” means all Class Members who have not submitted a timely and valid request for exclusion as provided in this Agreement.

II. “Workweeks”, for purposes of calculating the distribution of the Net Settlement Amount, means the number of weeks of employment during the Class Period that each Class Member was employed by Defendant in California, excluding weeks during which the Class Member did not perform any work for Defendant.

II. RECITALS

A. On February 8, 2021, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) and served the same on Defendant.

B. On April 15, 2021, Plaintiff filed the Class Action lawsuit for:

1. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
2. Failure to pay minimum wages in violation of California Labor Code sections 1194, 1197 and 1197.1;
3. Failure to pay overtime wages in violation of California Labor Code sections 510 *et seq*;

4. Failure to provide required meal periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
5. Failure to provide required rest periods in violation of California Labor Code sections 226.7 and 512 and the applicable IWC wage order;
6. Failure to reimburse Plaintiff for required expenses in violation of California Labor Code section 2802;
7. Failure to provide accurate itemized wage statements in violation of California Labor Code section 226;
8. Failure to provide wages when due in violation of California Labor Code sections 201, 202 and 203; and
9. Violation of the Private Attorneys General Act [Labor Code sections 2698 *et seq.*].

- C. The Class Representative believes she has meritorious claims based on alleged violations of the California Labor Code, and the Industrial Wage Commission Orders, and that class certification is appropriate because the prerequisites for class certification can be satisfied in the Action, and this action is manageable as a PAGA representative action.
- D. Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes any wages, damages and penalties claimed by the Class Representative are owed, and further contends that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times they complied with the California Labor Code and the Industrial Wage Commission Orders.
- E. The Class Representative is represented by Class Counsel. Class Counsel conducted an investigation into the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through informal discovery, and reviewing documents and

1 information provided by Defendant pursuant to informal requests for information to
2 prepare for mediation. Defendant produced for the purpose of settlement
3 negotiations certain employment data concerning the Settlement Class, which Class
4 Counsel reviewed and analyzed. Based on their own independent investigation and
5 evaluation, Class Counsel are of the opinion that the Settlement with Defendant is
6 fair, reasonable and adequate, and is in the best interest of the Settlement Class in
7 light of all known facts and circumstances, including the risks of significant delay,
8 defenses asserted by Defendant, uncertainties regarding class certification, and
9 numerous potential appellate issues. Although they deny any liability, Defendant is
10 agreeing to this Settlement solely to avoid the inconveniences and cost of further
11 litigation. The Parties and their counsel have agreed to settle the claims on the terms
12 set forth in this Agreement.

13 F. On March 11, 2022, the Parties participated in mediation presided over by Kelly A.
14 Knight, Esq., an experienced mediator of wage and hour class actions. The
15 mediation concluded in settlement after both sides agreed to a Mediator's proposal
16 which was subsequently memorialized in the form of a Memorandum of
17 Understanding ("MOU").

18 G. This Agreement replaces and supersedes the MOU and any other agreements,
19 understandings, or representations between the Parties. This Agreement represents
20 a compromise and settlement of highly disputed claims. Nothing in this Agreement
21 is intended or will be construed as an admission by Defendant that the claims in the
22 Action of Plaintiff or the Class Members have merit or that Defendant bears any
23 liability to Plaintiff or the Class on those claims or any other claims, or as an
24 admission by Plaintiff that Defendant's defenses in the Action have merit.

25 H. The Parties believe that the Settlement is fair, reasonable and adequate. The
26 Settlement was arrived at through arm's-length negotiations, taking into account all
27 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
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1 attendant to continuing the Action through trial and any appeal. Accordingly, the
2 Parties desire to fully, finally, and forever settle, compromise and discharge all
3 disputes and claims arising from or relating to the Action.

- 4 I. The Parties agree to certification of the Class for purposes of this Settlement only.
5 If for any reason the settlement does not become effective, Defendant reserves the
6 right to contest certification of any class for any reason and reserves all available
7 defenses to the claims in the Action.

8 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

9 **III. TERMS OF AGREEMENT**

10 A. Settlement Consideration and Settlement Payments by Defendant.

- 11 1. Settlement Consideration. In full and complete settlement of the Action, and
12 in exchange for the releases set forth below, Defendant and the Released
13 Parties will pay the sum of the Individual Settlement Payment, the Class
14 Representative Service Award, the Class Counsel Award, PAGA Settlement,
15 and the Settlement Administration Costs, as specified in this Agreement, equal
16 to the Gross Settlement Amount of Two Hundred Eighty-Five Thousand
17 Dollars (\$285,000.00). The Parties agree that this is a non-reversionary
18 Settlement and that no portion of the Gross Settlement Amount shall revert to
19 Defendant. Other than the Defendant's share of employer payroll taxes and
20 as provided for in Section III(A)(2) below, if any, Defendant shall not be
21 required to pay more than the Gross Settlement Amount, except as provided
22 for hereinbelow.

- 23 2. Class Size. At the time of mediation, Defendant estimated that the Settlement
24 Class was comprised of 180 individuals who collectively worked
25 approximately 5,104 Workweeks ("Projected Workweeks") during the Class
26 Period. In regard hereto, Defendant will provide a declaration under penalty
27 of perjury before the deadline for filing the motion for preliminary approval

1 of the settlement, confirming the number of applicable Class Members and
2 workweeks they worked during the applicable Class Period. If the workweek
3 number increases by more than 10% of the estimate stated herein, the
4 Settlement Amount will increase proportionally for the number of workweeks
5 over 110% (over 5,614).

6 3. Settlement Payment. Defendant and the Released Parties, and each of them,
7 are jointly and severally liable for payment of the Gross Settlement Amount.
8 Defendant shall pay the Gross Settlement Amount to the Settlement
9 Administrator on the Funding Date.

10 4. Defendant's Share of Payroll Taxes. Defendant's share of employer side
11 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
12 together with the Gross Settlement Amount.

13 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
14 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
15 release the Released Parties from the Released Class Claims for the Class Period.

16 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
17 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
18 California release the Released Parties from the PAGA Released Claims for the PAGA
19 Period. As a result of this release, the Aggrieved Employees shall be precluded from
20 bringing claims against Released Parties for the PAGA Release Claims.

21 D. General Release by Plaintiff. As of the Funding Date, for the consideration set forth
22 in this Agreement, Plaintiff waives, releases, acquits and forever discharges the
23 Released Parties from any and all claims, whether known or unknown, which exist or
24 may exist on her behalf as of the date of this Agreement, including but not limited to
25 any and all tort claims, contract claims, wage claims, wrongful termination claims,
26 disability claims, benefit claims, public policy claims, retaliation claims, statutory
27 claims, personal injury claims, emotional distress claims, invasion of privacy claims,
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1 defamation claims, fraud claims, quantum meruit claims, and any and all claims
2 arising under any federal, state or other governmental statute, law, regulation or
3 ordinance, including, but not limited to claims for violation of the Fair Labor
4 Standards Act, the California Labor Code, the Wage Orders of California's Industrial
5 Welfare Commission, other state wage and hour laws, the Americans with
6 Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee
7 Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the
8 California Fair Employment and Housing Act, the California Family Rights Act, the
9 Family Medical Leave Act, California's Whistleblower Protection Act, California
10 Business & Professions Code Section 17200 et seq., and any and all claims arising
11 under any federal, state or other governmental statute, law, regulation or ordinance.
12 Plaintiff also waives and relinquishes any and all claims, rights or benefits that she
13 may have under California Civil Code § 1542, which provides as follows:

14
15 ***A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE***
16 ***CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO***
17 ***EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE***
18 ***RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE***
19 ***MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE***
20 ***DEBTOR OR RELEASED PARTY.***

21
22 Thus, notwithstanding the provisions of section 1542, and to implement a full and
23 complete release and discharge of the Released Parties, Plaintiff expressly
24 acknowledges this Settlement Agreement is intended to include in its effect, without
25 limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at
26 the time of signing this Settlement Agreement, and that this Settlement Agreement
27 contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff
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1 has read this Settlement Agreement, including this waiver of California Civil Code
2 section 1542, and that Plaintiff has consulted with or had the opportunity to consult
3 with counsel of Plaintiff's choosing about this Settlement Agreement and specifically
4 about the waiver of section 1542, and that Plaintiff understands this Settlement
5 Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters
6 into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may
7 discover facts different from or in addition to those Plaintiff now knows or believes to
8 be true regarding the matters released or described in this Settlement Agreement, and
9 even so Plaintiff agrees that the releases and agreements contained in this Settlement
10 Agreement shall remain effective in all respects notwithstanding any later discovery
11 of any different or additional facts. Plaintiff expressly assumes any and all risk of any
12 mistake in connection with the true facts involved in the matters, disputes, or
13 controversies released or described in this Settlement Agreement or with regard to any
14 facts now unknown to Plaintiff relating thereto.

15 E. Conditions Precedent: This Settlement will become final and effective only upon the
16 occurrence of all of the following events:

- 17 1. The Court enters an order granting preliminary approval of the Settlement;
- 18 2. The Court enters an order granting final approval of the Settlement and a Final
19 Judgment;
- 20 3. If an objector appears at the final approval hearing, the time for appeal of the
21 Final Judgment and Order Granting Final Approval of Class Action
22 Settlement expires; or, if an appeal is timely filed, there is a final resolution of
23 any appeal from the Judgment and Order Granting Final Approval of Class
24 Action Settlement; and
- 25 4. Defendant fully funds the Gross Settlement Amount.

26 F. Nullification of Settlement Agreement. In the event that this Settlement Agreement is
27 not preliminarily or finally approved by the Court, fails to become effective, or is
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1 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
2 Defendant from obtaining a complete resolution of the Released Claims, or if
3 Defendant fails to fully fund the Gross Settlement Amount:

- 4 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
5 and shall not be admissible in any judicial, administrative or arbitral
6 proceeding for any purpose or with respect to any issue, substantive or
7 procedural;
- 8 2. The conditional class certification (obtained for any purpose) shall be void *ab*
9 *initio* and of no force or effect, and shall not be admissible in any judicial,
10 administrative or arbitral proceeding for any purpose or with respect to any
11 issue, substantive or procedural; and
- 12 3. None of the Parties to this Settlement will be deemed to have waived any
13 claims, objections, defenses or arguments in the Action, including with respect
14 to the issue of class certification.
- 15 4. If Defendant fails to fully fund the Gross Settlement Amount, Defendant shall
16 bear the sole responsibility for any cost to issue or reissue any curative notice
17 to the Settlement Class Members and all Settlement Administration Costs
18 incurred to the date of nullification.

19 G. Certification of the Settlement Class. The Parties stipulate to conditional class
20 certification of the Class for the Class Period for purposes of settlement only. In the
21 event that this Settlement is not approved by the Court, fails to become effective, or is
22 reversed, withdrawn or modified by the Court, or in any way prevents or prohibits
23 Defendant from obtaining a complete resolution of the Released Claims, the
24 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
25 no force or effect, and shall not be admissible in any judicial, administrative or arbitral
26 proceeding for any purpose or with respect to any issue, substantive or procedural.

- 1 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
2 effect of the payments called for, and Class Members and/or Aggrieved Employees are
3 not relying on any statement or representation by the Parties in this regard. Class
4 Members and/or Aggrieved Employees understand and agree that they will be
5 responsible for the payment of any taxes and penalties assessed on the Individual
6 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
7 Settlement described and will be solely responsible for any penalties or other
8 obligations resulting from their personal tax reporting of Individual Settlement
9 Payments and/or Aggrieved Employees' individual shares of the PAGA Settlement.
- 10 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
11 the "acknowledging party" and each Party to this Agreement other than the
12 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
13 of this Agreement, and no written communication or disclosure between or among the
14 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
15 such communication or disclosure constitute or be construed or be relied upon as, tax
16 advice within the meaning of United States Treasury Department circular 230 (31 CFR
17 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
18 her or its own, independent legal and tax counsel for advice (including tax advice) in
19 connection with this Agreement, (b) has not entered into this Agreement based upon
20 the recommendation of any other Party or any attorney or advisor to any other Party,
21 and (c) is not entitled to rely upon any communication or disclosure by any attorney
22 or adviser to any other party to avoid any tax penalty that may be imposed on the
23 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
24 any limitation that protects the confidentiality of any such attorney's or adviser's tax
25 strategies (regardless of whether such limitation is legally binding) upon disclosure by
26 the acknowledging party of the tax treatment or tax structure of any transaction,
27 including any transaction contemplated by this Agreement.

1 J. Preliminary Approval Motion. Plaintiff shall draft and file with the Court a Motion for
2 Order Granting Preliminary Approval and supporting papers within a reasonable
3 period of time after complete execution of this agreement and will provide Defendant
4 with a draft of the Motion at least 3 business days prior to the filing of the Motion to
5 give Defendant an opportunity to propose changes or additions to the Motion.

6 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
7 establishing and administering the QSF; calculating, processing and mailing payments
8 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
9 mailing the Notice Packets to the Class Members as directed by the Court; receiving
10 and reporting the objections and requests for exclusion; calculating, deducting and
11 remitting all legally required taxes from Individual Settlement Payments and
12 distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual
13 Settlement Payments and/or Aggrieved Employees' individual shares of the PAGA
14 Settlement; processing and mailing tax payments to the appropriate state and federal
15 taxing authorities; providing declaration(s) as necessary in support of preliminary
16 and/or final approval of this Settlement; and other tasks as the Parties mutually agree
17 or the Court orders the Settlement Administrator to perform. The Settlement
18 Administrator shall keep the Parties timely apprised of the performance of all
19 Settlement Administrator responsibilities by among other things, sending a weekly
20 status report to the Parties' counsel stating the date of the mailing, the of number of
21 Elections Not to Participate in Settlement it receives (including the numbers of valid
22 and deficient), and number of objections received.

23 L. Notice Procedure.

24 1. Class Data. No later than ten (10) business days after the Preliminary
25 Approval Date, Defendant shall provide the Settlement Administrator with the
26 Class Data for purposes of preparing and mailing Notice Packets to the Class
27 Members.

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1 b) The Notice Packet's mailing envelope shall include the following
2 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
3 ENTITLED TO PARTICIPATE IN A CLASS ACTION
4 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
5 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
6 NOTICE."

7 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
8 the Settlement Administrator will perform a search based on the National
9 Change of Address Database to update and correct any known or identifiable
10 address changes. No later than fourteen (14) calendar days after receiving the
11 Class Data from Defendant, the Settlement Administrator shall mail and email
12 copies of the Notice Packet to all Class Members via regular First-Class U.S.
13 Mail and electronic mail. The Settlement Administrator shall exercise its best
14 judgment to determine the current mailing address for each Class Member.
15 The address identified by the Settlement Administrator as the current mailing
16 address shall be presumed to be the best mailing address for each Class
17 Member.

18 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
19 Administrator as non-delivered on or before the Response Deadline shall be
20 re-mailed to any forwarding address provided. If no forwarding address is
21 provided, the Settlement Administrator shall promptly attempt to determine a
22 correct address by lawful use of skip-tracing, or other search using the name,
23 address and/or Social Security number of the Class Member involved, and
24 shall then perform a re-mailing, if another mailing address is identified by the
25 Settlement Administrator. In addition, if any Notice Packets, which are
26 addressed to Class Members who are currently employed by Defendant, are
27 returned to the Settlement Administrator as non-delivered and no forwarding
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1 address is provided, the Settlement Administrator shall notify Defendant.
2 Defendant will request that the currently employed Class Member provide a
3 corrected address, and transmit to the Administrator any corrected address
4 provided by the Class Member. Class Members who received a re-mailed
5 Notice Packet shall have their Response Deadline extended fifteen (15) days
6 from the original Response Deadline.

7 5. Disputes Regarding Individual Settlement Payments. Class Members will
8 have the opportunity, should they disagree with Defendant's records regarding
9 the start and end dates of employment to provide documentation and/or an
10 explanation to show contrary dates. If there is a dispute, the Settlement
11 Administrator will consult with the Parties to determine whether an
12 adjustment is warranted. The Settlement Administrator shall determine the
13 eligibility for, and the amounts of, any Individual Settlement Payments under
14 the terms of this Agreement. The Settlement Administrator's determination
15 of the eligibility for and amount of any Individual Settlement Payment shall
16 be binding upon the Class Member and the Parties, except as provided herein
17 below in Paragraph 6.

18 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
19 by the Settlement Administrator concerning the administration of the
20 Settlement will be resolved by the Court under the laws of the State of
21 California. Before any such involvement of the Court, counsel for the Parties
22 will confer in good faith to resolve the disputes without the necessity of
23 involving the Court.

24 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
25 Packet shall state that Class Members who wish to exclude themselves from
26 the Settlement must submit a signed copy of the Request for Exclusion form
27 to the A Request for Exclusion form will be mailed together with the Notice
28

1 Packet to all Class Members. The Request for Exclusion will not be valid if
2 it is not timely submitted, if it is not signed by the Class Member, or if it does
3 not contain the name and address and last four digits of the Social Security
4 number of the Class Member. The date of the postmark on the mailing
5 envelope or fax stamp on the Request for Exclusion shall be the exclusive
6 means used to determine whether the request for exclusion was timely
7 submitted. Any Class Member who submits a timely Request for Exclusion
8 shall be excluded from the Settlement Class will not be entitled to an
9 Individual Settlement Payment and will not be otherwise bound by the terms
10 of the Settlement or have any right to object, appeal or comment thereon.
11 However, any Class Member that submits a timely Request for Exclusion that
12 is also a member of the Aggrieved Employees will still receive his/her pro rata
13 share of the PAGA Settlement, as specified below, and in consideration, will
14 be bound by the Release by the Aggrieved Employees as set forth herein.
15 Settlement Class Members who fail to submit a valid and timely Request for
16 Exclusion on or before the Response Deadline shall be bound by all terms of
17 the Settlement and any final judgment entered in this Action if the Settlement
18 is approved by the Court. No later than fourteen (14) calendar days after the
19 Response Deadline, the Settlement Administrator shall provide counsel for
20 the Parties with a final list of the Class Members who have timely submitted
21 timely Requests for Exclusion. At no time shall any of the Parties or their
22 counsel seek to solicit or otherwise encourage members of the Class to submit
23 Requests for Exclusion from the Settlement.

- 24 8. Objections. The Notice of Class Action Settlement contained in the Notice
25 Packet shall state that Class Members who wish to object to the Settlement
26 may submit to the Settlement Administrator a written statement of objection
27 (“Notice of Objection”) by the Response Deadline. The postmark date of
28

1 mailing shall be deemed the exclusive means for determining that a Notice of
2 Objection was served timely. The Notice of Objection, if in writing, must be
3 signed by the Settlement Class Member and state: (1) the case name and
4 number; (2) the name of the Settlement Class Member; (3) the address of the
5 Settlement Class Member; (4) the last four digits of the Settlement Class
6 Member's Social Security number; (5) the basis for the objection; and (6) if
7 the Settlement Class Member intends to appear at the Final
8 Approval/Settlement Fairness Hearing. Class Members who fail to make
9 objections in writing in the manner specified above may still make their
10 objections orally at the Final Approval/Settlement Fairness Hearing with the
11 Court's permission. Settlement Class Members will have a right to appear at
12 the Final Approval/Settlement Fairness Hearing to have their objections heard
13 by the Court regardless of whether they submitted a written objection. At no
14 time shall any of the Parties or their counsel seek to solicit or otherwise
15 encourage Class Members to file or serve written objections to the Settlement
16 or appeal from the Order and Final Judgment. Class Members who submit a
17 written request for exclusion may not object to the Settlement. Class Members
18 may not object to the PAGA Settlement.

19 M. Funding and Allocation of the Gross Settlement Amount. Defendant is required to pay
20 the Gross Settlement Amount on or before the Funding Date, plus any employer's
21 share of payroll taxes as mandated by law within the time specified herein.

22 1. Individual Settlement Payments. Individual Settlement Payments shall be
23 paid from the Net Settlement Amount and shall be paid pursuant to the
24 formula set forth herein. Using the Class Data, the Settlement Administrator
25 shall add up the total number of Workweeks for all Class Members. The
26 respective Workweeks for each Class Member will be divided by the total
27 Workweeks for all Class Members, resulting in the Payment Ratio for each
28

1 Class Member. Each Class Member's Payment Ratio will then be multiplied
2 by the Net Settlement Amount to calculate each Class Member's estimated
3 Individual Settlement Payments. Each Individual Settlement Payment will be
4 reduced by any legally mandated employee tax withholdings (e.g., employee
5 payroll taxes, etc.). Individual Settlement Payments for Class Members who
6 submit valid and timely requests for exclusion will be redistributed to
7 Settlement Class Members who do not submit valid and timely requests for
8 exclusion on a pro rata basis based on their respective Payment Ratios.

9 2. Calculation of Individual Payments to the Aggrieved Employees. Using the
10 Class Data, the Settlement Administrator shall add up the total number of
11 PAGA pay periods for all Aggrieved Employees during the PAGA Period.
12 The respective PAGA pay periods for each Aggrieved Employee will be
13 divided by the total PAGA pay periods for all Aggrieved Employees, resulting
14 in the "PAGA Payment Ratio" for each Aggrieved Employee. Each
15 Aggrieved Employee's PAGA Payment Ratio will then be multiplied by the
16 Aggrieved Employee Payment to calculate each Aggrieved Employee's
17 estimated share of the PAGA Settlement.

18 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
19 Settlement Payments shall be allocated and treated as follows: 1/3 as wages
20 ("Wage Portion"); 2/3 as penalties and interest ("Non-Wage Portion"). The
21 Wage Portion is subject to wage withholdings and shall be reported on IRS
22 Form W-2. The Non-Wage Portion shall not be subject to wage withholdings
23 and shall be reported on IRS Form 1099.

24 4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved
25 Employee Settlement Payments shall be allocated and treated as 100%
26 penalties and shall be reported on IRS Form 1099.

- 1 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
2 individual shares of the PAGA Settlement made to Settlement Class Members
3 and/or Aggrieved Employees under this Settlement Agreement, as well as any
4 other payments made pursuant to this Settlement Agreement, will not be
5 utilized to calculate any additional benefits under any benefit plans to which
6 any Class Members may be eligible, including, but not limited to profit-
7 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
8 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
9 Parties' intention that this Settlement Agreement will not affect any rights,
10 contributions, or amounts to which any Class Members may be entitled under
11 any benefit plans.
- 12 6. All monies received by Settlement Class Members under the Settlement which
13 are attributable to wages shall constitute income to such Settlement Class
14 Members solely in the year in which such monies actually are received by the
15 Settlement Class Members. It is the intent of the Parties that Individual
16 Settlement Payments and individual shares of the PAGA Settlement provided
17 for in this Settlement agreement are the sole payments to be made by Defendant
18 to Settlement Class Members and/or Aggrieved Employees in connection with
19 this Settlement Agreement, with the exception of Plaintiff, and that the
20 Settlement Class Members and/or Aggrieved Employees are not entitled to any
21 new or additional compensation or benefits as a result of having received the
22 Individual Settlement Payments and/or their shares of the PAGA Settlement.
- 23 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
24 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
25 and/or Aggrieved Employees last known mailing address no later than fifteen
26 (15) calendar days after the Funding Date.

1 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
2 Employees shall remain valid and negotiable for one hundred and eighty (180)
3 days from the date of their issuance. If a Settlement Class Member and/or
4 Aggrieved Employee does not cash his or her settlement check within 90 days,
5 the Settlement Administrator will send a letter to such persons, advising that
6 the check will expire after the 180th day, and invite that Settlement Class
7 Member and/or Aggrieved Employee to request reissuance in the event the
8 check was destroyed, lost or misplaced. In the event an Individual Settlement
9 Payment and/or Aggrieved Employee's individual share of the PAGA
10 Settlement check has not been cashed within one hundred and eighty (180)
11 days, the check will be voided and the Participating Class Member and/or
12 Aggrieved Employee will remain bound by the Settlement. The funds from
13 any such uncashed checks will then be reallocated and redistributed by the
14 Settlement Administrator to those Participating Class members and/or
15 Aggrieved Employees who cashed their Settlement Share checks through a
16 second distribution using the same allocation as the first distribution. The
17 Parties agreed that under this procedure, there is no residue as the entire Gross
18 Settlement Sum will be distributed.

19 9. Class Representative Service Award. In addition to the Individual Settlement
20 Payment and her individual share of the PAGA Settlement to be paid to
21 Plaintiff, Plaintiff will apply to the Court for an award of not more than
22 \$10,000, as the Class Representative Service Award. Defendant does not
23 presently intend to oppose a Class Representative Service Award of not more
24 than \$10,000 for Plaintiff. The Settlement Administrator shall pay the Class
25 Representative Service Award, either in the amount stated herein if approved
26 by the Court or some other amount as approved by the Court, to Plaintiff from
27 the Gross Settlement Amount no later than fifteen (15) calendar days after the
28

1 Funding Date. Any portion of the requested Class Representative Service
2 Award that are not awarded to the Class Representative shall be part of the
3 Net Settlement Amount and shall be distributed to Settlement Class Members
4 as provided in this Agreement. The Settlement Administrator shall issue an
5 IRS Form 1099 — MISC to Plaintiff for her Class Representative Service
6 Award. Plaintiff shall be solely and legally responsible to pay any and all
7 applicable taxes on her Class Representative Service Award and shall hold
8 harmless the Released Parties from any claim or liability for taxes, penalties,
9 or interest arising as a result of the Class Representative Service Award. The
10 Class Representative Service Award shall be in addition to Plaintiff's
11 Individual Settlement Payment as a Settlement Class Member. Approval of
12 this Settlement shall not be conditioned on Court approval of the requested
13 amount of the Class Representative Service Award. If the Court reduces or
14 does not approve the requested Class Representative Service Award, Plaintiff
15 shall not have the right to revoke the Settlement, and it will remain binding.

- 16 10. Class Counsel Award. Defendant understands a motion by Class Counsel for
17 attorneys' fees not to exceed one-third of the Gross Settlement Amount
18 currently estimated to be \$95,000 plus costs and expenses supported by
19 declaration not to exceed Fifteen Thousand Dollars (\$15,000), from the Gross
20 Settlement Amount will be filed. Any portion of the requested Class Counsel
21 Award that is not awarded to Class Counsel shall be part of the Net Settlement
22 Amount and shall be distributed to Settlement Class Members as provided in
23 this Agreement. The Settlement Administrator shall allocate and pay the
24 Class Counsel Award to Class Counsel from the Gross Settlement Amount no
25 later than fifteen (15) calendar days after the Funding Date. Class Counsel
26 shall be solely and legally responsible to pay all applicable taxes on the
27 payment made pursuant to this paragraph. The Settlement Administrator shall
28

1 issue an IRS Form 1099 — MISC to Class Counsel for the payments made
2 pursuant to this paragraph. In the event that the Court reduces or does not
3 approve the requested Class Counsel Award, Plaintiff and Class Counsel shall
4 not have the right to revoke the Settlement, or to appeal such order, and the
5 Settlement will remain binding.

6 11. PAGA Settlement. Ten Thousand Dollars (\$10,000) shall be allocated from
7 the Gross Settlement Amount for settlement of claims for civil penalties under
8 the Private Attorneys General Act of 2004 (“PAGA Settlement”). The
9 Settlement Administrator shall pay seventy-five percent (75%) of the PAGA
10 Settlement (\$7,500) to the California Labor and Workforce Development
11 Agency no later than twenty-five (25) calendar days after the Funding Date
12 (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA
13 Settlement (\$2,500) will be distributed to the Aggrieved Employees as
14 described in this Agreement (hereinafter “Aggrieved Employee Payment”).
15 For purposes of distributing the PAGA Settlement to the Aggrieved
16 Employees, each Aggrieved Employee shall receive their pro-rata share of the
17 Aggrieved Employee Payment using the PAGA Payment Ratio as defined
18 above.

19 12. Settlement Administration Costs. The Settlement Administrator shall be paid
20 for the costs of administration of the Settlement from the Gross Settlement
21 Amount. The estimate of the Settlement Administration Costs is \$8,000. The
22 Settlement Administrator shall be paid the Settlement Administration Costs
23 no later than fifteen (15) calendar days after the Funding Date.

24 N. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
25 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
26 twenty-eight (28) days following the expiration of the Response Deadline, which
27 motion shall request final approval of the Settlement and a determination of the
28

1 amounts payable for the Class Representative Service Award, the Class Counsel
2 Award, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will
3 provide Defendant with a draft of the Motion at least 3 business days prior to the filing
4 of the Motion to give Defendant an opportunity to propose changes or additions to
5 the Motion

6 1. Declaration by Settlement Administrator. No later than fourteen (14) days
7 after the Response Deadline, the Settlement Administrator shall submit a
8 declaration in support of Plaintiff's motion for final approval of this
9 Settlement detailing the number of Notice Packets mailed and re-mailed to
10 Class Members, the number of undeliverable Notice Packets, the number of
11 timely requests for exclusion, the number of objections received, the amount
12 of the average Individual Settlement Payment and highest Individual
13 Settlement Payment, the Settlement Administration Costs, and any other
14 information as the Parties mutually agree or the Court orders the Settlement
15 Administrator to provide.

16 2. Final Approval Order and Judgment. Class Counsel shall present an Order
17 Granting Final Approval of Class Action Settlement to the Court for its
18 approval, and Judgment thereon, at the time Class Counsel files the Motion
19 for Final Approval.

20 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
21 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
22 Final Approval, including the Order Granting Final Approval of Class Action
23 Settlement, and Judgment before filing with the Court. The Parties and their counsel
24 will cooperate with each other and use their best efforts to affect the Court's approval
25 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
26 Judgment.

- 1 O. Cooperation. The Parties and their counsel will cooperate with each other and use
2 their best efforts to implement the Settlement.
- 3 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
4 except such proceedings necessary to implement and complete the Settlement, pending
5 the Final Approval/Settlement Fairness Hearing to be conducted by the Court
- 6 Q. Amendment or Modification. This Agreement may be amended or modified only by
7 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 8 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
9 Agreement among these Parties, and no oral or written representations, warranties or
10 inducements have been made to any Party concerning this Agreement or its Exhibit
11 other than the representations, warranties and covenants contained and memorialized
12 in this Agreement and its Exhibit.
- 13 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
14 represent they are expressly authorized by the Parties whom they represent to negotiate
15 this Agreement and to take all appropriate Action required or permitted to be taken by
16 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
17 documents required to effectuate the terms of this Agreement. The persons signing
18 this Agreement on behalf of Defendant represents and warrants that he/she is
19 authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and
20 warrants that she is authorized to sign this Agreement and that she has not assigned
21 any claim, or part of a claim, covered by this Settlement to a third-party.
- 22 T. No Public Comment: The Parties and their counsel agree that they will not issue any
23 press releases, initiate any contact with the press, respond to any press inquiry, or have
24 any communication with the press about the fact, amount or terms of the Settlement
25 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
26 of its terms for any marketing or promotional purposes. Nothing herein will restrict
27 Class Counsel from including publicly available information regarding this settlement
28

1 in future judicial submissions regarding Class Counsel's qualifications and experience.
2 Further, Class Counsel will not include, reference or use the Settlement Agreement for
3 any marketing or promotional purposes, either before or after the Motion for
4 Preliminary Approval is filed.

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

7 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
8 shall be governed by and interpreted according to the laws of the State of California.

9 W. Counterparts. This Agreement may be executed in one or more counterparts. All
10 executed counterparts and each of them shall be deemed to be one and the same
11 instrument provided that counsel for the Parties to this Agreement shall exchange
12 among themselves copies or originals of the signed counterparts.

13 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
14 is a fair, adequate and reasonable settlement of this Action and have arrived at this
15 Settlement after extensive arms-length negotiations, taking into account all relevant
16 factors, present and potential.

17 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
18 respect to the interpretation, implementation and enforcement of the terms of this
19 Agreement and all orders and judgments entered in connection therewith, and the
20 Parties and their counsel submit to the jurisdiction of the Court for purposes of
21 interpreting, implementing and enforcing the settlement and all orders and judgments
22 entered in connection with this Agreement.

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

1 AA. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently
2 intend to pursue any claims against the Released Parties, including, but not limited to,
3 any and all claims relating to or arising from Plaintiff's employment with Defendant,
4 regardless of whether Class Counsel is currently aware of any facts or legal theories
5 upon which any claims or causes of action could be brought against Released Parties,
6 including those facts or legal theories alleged in the operative complaint in this Action.
7 The Parties further acknowledge, understand and agree that this representation is
8 essential to the Agreement and that this Agreement would not have been entered into
9 were it not for this representation.

10 BB. Stipulation to Class Certification. The Parties agree to stipulate to class certification
11 for purposes of this settlement only.

12 CC. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
13 Released Claims have merit and give rise to liability on the part of Defendant.
14 Defendant claims that the Released Claims have no merit and do not give rise to
15 liability. This Agreement is a compromise of disputed claims. Nothing contained in
16 this Agreement and no documents referred to and no action taken to carry out this
17 Agreement may be construed or used as an admission by or against the Defendant or
18 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
19 than as may be specifically set forth herein, each Party shall be responsible for and
20 shall bear its/his own attorney's fees and costs.

21 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

22
23 DATED: Jun 8, 2022

23 
24 Doriceli Rivas (Jun 8, 2022 13:47 PDT)

25 DORICELI RIVAS
26
27
28

1
2
3 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

4 DATED: 6-6-22

5 
SITAJI

6 Nimesh Rathod
7 Printed Name

8 president
9 Title

10
11 IT IS SO AGREED AS TO FORM BY COUNSEL:

12 DATED: June 8, 2022

JCL LAW FIRM, A.P.C.

14 By: 

15 Attorneys for Plaintiff and the Settlement Class
16 Members

17 DATED: June 8, 2022

ZAKAY LAW GROUP, APLC

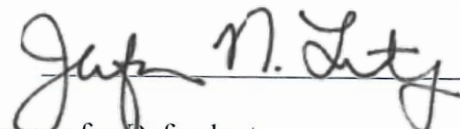
19 By: 

20 Attorneys for Plaintiff and the Settlement Class
21 Members

22
23 DATED: June 6, 2022

JENNIFER N. LUTZ

25 PETTIT KOHN INGRASSIA LUTZ & DOLIN PC

26 By: 

27 Attorneys for Defendant

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Rivas v. Sitaji, Riverside County Superior Court Case No. CVRI2101761)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the Settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Riverside (the “Court”) has been reached between Plaintiff Dorceli Rivas (“Plaintiff”) and Defendant Sitaji, a California Corporation (“Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All non-exempt employees who are or previously were employed by Defendant and performed work in California during the Class Period.

The “Class Period” is the period of time running from April 15, 2017 to March 11, 2022.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On April 15, 2021, Plaintiff filed a Complaint against Defendant in the Superior Court of the State of California, County of Riverside (the “Action”). Plaintiff asserted the following claims alleging that Defendant: (a) Violated California Business and Professions Code § 17200 *et seq.*; (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (c) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (f) Failed to reimburse employees for required expenses in violation of California Labor Code section 2802; (g) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (h) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; and (i) Violations of the Private Attorney General Act at Labor Code Section 2698, *et seq.* (“PAGA”). PAGA is a mechanism by which the State of California itself can enforce state labor laws through the employee suing under the PAGA who does so as the proxy or agent of the state’s labor law enforcement agency. The purpose of the PAGA is not to recover damages or restitution, but to create a means of “deputizing” citizens as private attorney general to enforce the Labor Code.

Defendant denies and disputes all claims asserted in the Action. Specifically, Defendant contended (and continues to contend) that the Action could not properly be maintained as a class action; that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendant paid any members of the class all wages due them at the time of their terminations; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action.

On March 11, 2021, the Parties participated in an all-day mediation with Kelly A. Knight, Esq., an experienced mediator of wage and hour class and PAGA actions. The mediation concluded in a settlement after both sides agreed to a Mediator’s proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an “all in” amount of Two Hundred Eighty-Five Thousand Dollars (\$285,000) (the “Gross Settlement Amount”) to fund the Settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments to participating Class Members, Class Counsel Award, Settlement Administration Costs, PAGA Settlement, and the Class Representative Service Award to the Plaintiff.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Costs. Payment to the Settlement Administrator, estimated not to exceed \$8,000.00 for expenses, including expenses of sending this Notice, processing opt-outs, and distributing settlement payments.

- Class Counsel Award. Payment to Class Counsel attorneys' not to exceed one-third of the Gross Settlement Amount (currently \$95,000) plus costs and expenses not to exceed \$15,000 for all costs and expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Award. Class Representative Service Award of up to Ten Thousand Dollars (\$10,000) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Action, and for the risks she undertook.
- PAGA Settlement. A payment of \$10,000 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$7,500 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$2,500 will be distributed to the Aggrieved Employees ("Aggrieved Employee Payment").
- Calculation of Individual Settlement Payments. After all the above payments of the court-approved Class Counsel Award, the Class Representative Service Award, the PAGA Settlement, and the Settlement Administration Costs are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one day during any such workweek.
- Calculation of Individual Payments to Aggrieved Employees. The Aggrieved Employee Payment of the PAGA Settlement shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The Aggrieved Employee Payment will be divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. "Aggrieved Employees" means all non-exempt employees who are or previously were employed by Defendant and performed work in California during the PAGA Period. The PAGA Period means the period between February 8, 2020 to March 11, 2022.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

You may find the Settlement Agreement entitled "Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims" filed on XXX, with the Riverside County Superior Court, Dept. 6, located at 4050 Main Street, Riverside, CA 92501. You may also find the Settlement Agreement online by visiting the Riverside County Superior Court website <https://www.riverside.courts.ca.gov/>.

Tax Matters. One-third of each Individual Settlement Payment is allocated to wages. Taxes are withheld from this amount, and each participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Two-thirds of each Individual Settlement Payment is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from Aggrieved Employee Settlement Payments paid to Aggrieved Employees, and each Aggrieved Employee will be issued an Internal Revenue

Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims which are alleged in the operative complaint, or could have been alleged based upon the facts in the operative complaint, which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. The Released PAGA Claims shall be released as follows: Upon entry of final judgment and upon funding in full of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the Class Settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims which are alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have << _____ >> Workweeks worked during the Class Period (April 15, 2017 to March 11, 2022).

Based on this information, your estimated Individual Settlement Payment is << _____ >>.

Defendant's records reflect that you have << _____ >> pay periods worked during the PAGA Period (February 8, 2020 to March 11, 2022).

Based on this information, your estimated PAGA Payment Share is << _____ >>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: ILYM Group, Inc. at 1-888-250-6810.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a

year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www.ilymgroup.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the Aggrieved Employee Payment.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is 14771 Plaza Drive, Ste. L, Tustin, CA 92780. The request for exclusion must state in substance: "I wish to opt out of the settlement of the class action lawsuit entitled *Rivas v. Sitaji, Riverside County Superior Court, Case No. CVRI2101761*. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in this Notice." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is *Rivas v. Sitaji, Riverside County Superior Court, Case No. CVRI2101761*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Jean-Claude Lapuyade, Esq.
JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891

Class Counsel:

Shani O. Zakay, Esq.
Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121 Tel: (619) 599-
8292
Fax: (619) 599-8291

Counsel for Defendant:

Jennifer N. Lutz
Pettit Kohn Ingrassia &
Dolin, PC
11622 El Camino Real, Suite 300
San Diego, CA 92130
Tel.: (858) 755-8500

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 00:00 AM/PM on _____, at the Riverside County Superior Court, Dept. 6, located at 4050 Main Street, Riverside CA 92501 before Judge Raquel A. Marquez. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at 1-888-250-6810 or write to *Rivas v. Sitaji, Riverside County Superior Court, Case No. CVRI2101761*, Settlement Administrator, c/o _____.

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to JCL Law Firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to those participating Class Members and/or Aggrieved Employees who cashed their checks through a second distribution using the same allocation as the first distribution. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT 2

EXHIBIT 3

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Rivas v. Sitaji

Tuesday, March 22, 2022

Requesting Attorney:	Eddie Garcia
Requesting Attorney's E-mail:	EGarcia@jcl-lawfirm.com
ILYM Contact	Sean Hartranft
E-Mail	<u>Sean@ilymgroupclassaction.com</u>
Contact Number	949.690.2564

ESTIMATE FOR ADMINISTRATION SOLUTIONS

Opt-Out

ASSUMPTIONS	
Total Estimated Number of Class Members	180
Estimated Percentage of Undeliverable Mail	20%
NCOA	Yes
Certified Spanish Translation	No
Case Duration (Years)	1

Activity	Rate Type	Unit Cost	Volume	Amount
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CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

*ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.

Subtotal \$650.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	5	\$600.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	0	\$0.00
Report Processing	Hourly	\$70.00	3	\$210.00
NCOA	Per Piece	\$50.00	1	\$50.00
Toll-Free Phone Support	Flat Fee	\$75.00	1	\$75.00
ILYM Group Static Website, Including Postage	Flat Fee	\$750.00	1	\$750.00
Status Reports	Flat Fee	\$750.00	1	Waived

Subtotal \$1,755.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING				
Initial Mailing, Fulfillment of Notices	Per Piece	\$2.00	180	\$360.00
USPS First Class Postage	Per Piece	\$0.76	180	\$136.80
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.00	36	\$72.00
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$868.80

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Stub & Release - Print & Mail (including W2 and/or 1099)**	Per Check	\$1.50	180	\$270.00
Check Mailing Postage	Per Piece	\$0.55	180	\$99.00
Reminder Mailing, Includes Postage	Per Piece	\$2.00	18	\$36.00
Preparation of Taxes	Hourly	\$120.00	12	\$1,440.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

***Additional Bank fees may apply*

Subtotal \$3,895.00

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	2	\$200.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Declaration	Hourly	\$125.00	2	\$250.00

Subtotal \$690.00

Total Case Estimate: \$7,858.80

Discounted Flat Fee: \$7,500.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. **Attached here to is Exhibit D:** ILYM hereby incorporates the attached Exhibit D into the terms and conditions herein and Exhibit D shall be a part of this agreement. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.