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Attorneys for PLAINTIFFS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

GABRIEL MENDEZ, GEORGE GOSCH,
JOHN DIAN, MICHAEL KNIGHTON,
individuals, on behalf of themselves and on
behalf of all person similarly situated,

Plaintiffs,

vs.

BONDZ, INC., a California Corporation; and
DOES 1-50, Inclusive,

Defendants.

Case No. STK-CV-UOE-2020-0007486

**DECLARATION OF JEAN-CLAUDE
LAPUYADE, ESQ. IN SUPPORT OF
PLAINTIFF'S MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: September 14, 2023

Time: 9:00 a.m.

Judge: Hon. George J. Abdallah, Jr.

Dept.: 10A

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
3 competently testify to the following facts from my own personal knowledge. I am an attorney-at-law
4 and the owner of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-
5 counsel of record for Plaintiffs GABRIEL MENDEZ, GEORGE GOSCH, JOHN DIAN, and
6 MICHAEL KNIGHTON, in their representative capacity on behalf of the State of California and
7 other Aggrieved Employees, (hereafter "Plaintiff") in this wage and hour class action filed against
8 BONDZ, INC., (hereinafter collectively "Defendants").

9 2. This declaration is being submitted in support of Plaintiffs' Motion for Final Approval
10 of Class Action Settlement.

11 3. Attached hereto as **Exhibit "A"** are true and correct copies of the fully executed Joint
12 Stipulation of Class Action Settlement and Release (hereinafter collectively "Settlement Agreement").

13 4. Attached hereto as **Exhibit "B"** is a true and correct copy of the April 27, 2023,
14 Preliminary Approval Order.

15 5. Attached hereto as **Exhibit "C"** is a true and correct copy of proof of filing the
16 proposed Settlement with the LWDA.

17 **I. INTRODUCTION**

18 6. An objective evaluation of the proposed settlement of \$180,000 ("Gross Settlement
19 Amount") confirms that the relief negotiated on behalf of the Settlement Class is fair, reasonable, and
20 valuable. The Settlement is a product of informed, adversarial, and non-collusive negotiations,
21 between experienced counsel, guided by the wisdom and experience of prominent wage and hour,
22 class action mediator, the Hon. Steven R. Denton (Ret.). After deducting any Court-approved
23 attorneys' fees and costs, class representative incentive payments, administration costs, and payments
24 to the Labor & Workforce Development Agency ("LWDA"), the Net Settlement Amount shall be
25 distributed to the Participating Class Members based on the number of Workweeks they worked while
26 employed by Defendant during the Class Period. *The Settlement Class greeted news of the*
27 *Settlement with overwhelming approval as 100% of the Settlement Class choose to participate in*
28 *the Settlement – 77 of 77.* There are zero opt-outs and zero objections to the Settlement. The

1 unanimous approval by the Settlement Class evidences the clear fairness and reasonableness of the
2 Settlement.

3 7. This Settlement provides substantial recovery for Defendant's alleged wage and hour
4 violations. Plaintiffs estimate that the Settlement, if approved, would result in a Net Settlement
5 Amount of \$70,500. This will result in an average Individual Settlement Payment of **\$915.58** and
6 high payment of \$2,687.39.

7 8. The relief offered by the Settlement is immediate and is particularly impressive when
8 viewed against the difficulties encountered by plaintiffs pursuing similar wage and hour cases (*see*
9 *infra*). Indeed, by settling now rather than proceeding to trial, the Settlement Class will not have to
10 wait (possibly years) for relief, nor will they have to bear the risks associated with prolonged and
11 uncertain litigation.

12 9. As discussed below, the proposed Settlement satisfies all criteria for final settlement
13 approval under California law and falls well within the range of reasonableness. Accordingly, Class
14 Representatives and Class Counsel respectfully request this Court grant final approval of the
15 Agreement and, entry of the proposed Final Approval Order and Judgment.

16 **II. OVERVIEW OF THE LITIGATION**

17 10. Defendant is a trucking contractor for FedEx, Ground, and has operations in multiple
18 states. Plaintiffs at all relevant time periods mentioned herein worked and drove a truck in California,
19 as nonexempt employees, at various times from November of 2016 to October of 2020. Throughout
20 their employment, Plaintiffs were classified as non-exempt employees and were entitled to minimum
21 and regular wages. Additionally, Plaintiffs were subject to Defendant's written policies and
22 procedures.

23 11. Generally, Plaintiffs claim that Defendant failed to pay for all time worked, failed to
24 provide compliant meal and rest periods, failed to pay vacation wages due, failed to furnish accurate
25 itemized wages statements, failed to pay all wages when due, and unlawfully deducted wages.
26 Defendant forcefully denies liability for each of Plaintiffs' claims. Further, Defendant asserts that it
27 fully complied with all applicable employment laws and raised several other significant defenses to
28

1 Plaintiffs' claims including but not limited to, facially compliant meal and rest period policies,
2 compliant wage statements, and payment of all wages upon separation.

3 12. On July 1, 2020, Plaintiff Mendez served Defendant and the Labor and Workforce
4 Development Agency ("LWDA") with a Notice of Violations ("PAGA Notice"). Plaintiffs' PAGA
5 Notice set forth the facts and theories supporting Defendant's alleged violations of various provisions
6 of the California Labor Code and applicable Industrial Welfare Commissions ("IWC") Wage Order
7 and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal.
8 Lab. Code sections 2698 *et seq* ("PAGA").

9 13. On September 9, 2020, Plaintiff Mendez filed a class action complaint in the San
10 Joaquin County Superior Court, Case Number STK-CV-UOE-2020-7486.

11 14. On September 9, 2020, Plaintiff Mendez filed a class action complaint in the San
12 Joaquin County Superior Court, Case Number STK-CV-UOE-2020-7486. On May 18, 2022,
13 Plaintiffs filed a First Amended Complaint. On February 8, 2023, Plaintiffs filed a Second Amended
14 Complaint, the operative complaint, against Defendant. The Action alleged ten causes of action
15 against Defendant for: (1) Unfair Competition in Violation of Cal. Bus. & Prof. Code §§ 17200 *et*
16 *seq.*; (2) Failure to Pay Minimum Wages in Violation of Cal. Lab. Code §§ 1194, 1197, 1197.1; (3)
17 Failure to Provide Meal Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable
18 IWC Wage Order; (4) Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§
19 226.7 & 512 and the Applicable IWC Wage Order; (5) Failure to Provide Accurate Itemized Wage
20 Statements in Violation of Cal. Lab. Code § 226; (6) Failure to Provide Wages When Due in
21 Violation of Cal. Lab. Code §§ 201, 202; (7) Failure to Pay Overtime in Violation of Cal. Lab. Code
22 §§ 510, *et seq.*; (8) Failure to Pay Vacation Wages Due; (9) Unlawful Deductions; and (10) Violations
23 of the Private Attorneys General Act under California Labor Code §§ 2698, *et seq.* ("Class Claims").

24 15. The Parties agreed to mediate the Action after engaging in significant written discovery.
25 To prepare for mediation, the Parties agreed to informally produce additional documents and data
26 points subject to the mediation privilege, including but not limited to, a sample of the Class Members'
27 time data and certain payroll data points. As discussed *infra*, Plaintiffs' counsel retained the forensic
28 consultants at Berger Consulting Group ("BCG") to analyze Defendant's time and payroll data.

1 16. On October 6, 2022, the Parties participated in a full day mediation with Hon. Steven R.
2 Denton, a highly regarded jurist and experienced mediator. After arms-length negotiations and
3 bargaining, the Parties reached an agreement to settle based on Judge Denton's proposal and signed a
4 Memorandum of Understanding. After reaching an agreement in principle, the Parties drafted and
5 negotiated a longform settlement agreement, which is the subject of the instant motion.

6 17. Further supporting final approval, the average Individual Settlement Payment of
7 \$915.58, equals or exceeds settlement payments in similar wage and hour class actions. This result is
8 particularly favorable considering that liability and certification were far from certain. Given the
9 complexities of this case, the defenses asserted, the uncertainty of class certification, along with the
10 uncertainties of proof at trial and appeal, the proposed settlement is fair, reasonable, and adequate, and
11 should be granted final approval.

12 **IV. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE**

13 **A. Thorough Investigation**

14 18. As detailed in the motion for preliminary approval, Class Counsel thoroughly
15 investigated the proposed Class Members' claims, applicable law, and potential defenses.
16 Specifically, Class Counsel assessed the value of the class claims using data and documents provided
17 by Defendant in informal discovery. In response to Class Counsel's request, Defendant produced,
18 among other things, the time and payroll records for all of the Class Members, aggregate workweek
19 and pay period data, and copies of applicable handbooks, policies, and agreements. Class Counsel
20 then retained the statisticians and economists at BCG to evaluate the Class Members' payroll and time
21 data to formulate damage models estimating Defendant's liability exposure. Class Counsel's
22 investigation, research, experience and damage models, informed and guided the mediated
23 negotiations that resulted in this Settlement. Accordingly, Class Counsel fully understood the
24 strengths and weaknesses of the class claims before the parties reached a settlement.

25 **B. The Parties Settled at Mediation**

26 19. The Settlement is the product of a mediation session with a respected mediator and
27 negotiations over the terms of the Settlement. The negotiations were adversarial, conducted at arm's
28 length and tempered by the efforts of both sides to serve the interests of their clients. The amount of

1 the service awards was not negotiated until after the parties agreed to the Gross Settlement Amount
2 and many other terms. No action would likely have been taken by Class Members individually, and
3 no compensation would have been recovered for them, but for Plaintiffs' services on behalf of the
4 Class

5 **C. Class Counsel is Experienced in Similar Litigation**

6 20. Class Counsel in this matter has extensive class action experience in multiple fields and
7 has represented tens-of-thousands of persons in class actions. Counsel has previously litigated similar
8 wage and hour class actions involving similar meal and rest period violations. Class Counsel has been
9 approved as class counsel in similar wage and hour class actions throughout the State of California.
10 As such, courts throughout the California have deemed Class Counsel experienced and
11 knowledgeable in this area of law. Class Counsel has participated in every aspect of the settlement
12 discussions and has concluded the settlement is fair, adequate and reasonable and in the best interests
13 of the Class.

14 21. Plaintiff, the Settlement Class Members and the Aggrieved Employees are represented
15 by competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC
16 ("Firm"), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and
17 consumers throughout California in wage and hour class actions, PAGA Actions and complex multi-
18 party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq.
19 (Partner/Owner), Monnett De La Torre, Esq. (Senior Associate), Sydney Castillo-Johnson, Esq.
20 (Associate), Tesla Stone (Paralegal), Maria Waters (Paralegal), Madelyn Uchiyama (Legal Assistant)
21 and Sara Cristensen (Legal Secretary).

22 22. I am qualified to represent the Plaintiff, the State of California and the Aggrieved
23 Employees. I have extensive experience with wage and hour class and representative actions
24 litigation like this matter, and employment matters in general. Additionally, I have extensive
25 complex mass tort litigation experience and complex construction product liability experience. I can,
26 will and have adequately represented the interests of the Plaintiff, the State of California and the
27 Aggrieved Employees throughout this action.

28 ///

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

4 24. I have significant class counsel and collective action counsel experience. I served as
5 class and/or collective (PAGA) counsel in, among other cases, the following matters:

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

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

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

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

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

27 f. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court,
28 Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA

1 Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC acted as
2 counsel for the plaintiff, the State of California and the Aggrieved Employees.)

3 g. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No.
4 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL Law
5 Firm as Class Counsel and granted final approval of wage and hour class action for, *inter alia*,
6 off-the-clock work.)

7 h. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-
8 00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class
9 Counsel and granted final approval of wage and hour class action for off-the-clock work.)

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

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

17 k. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No.
18 37-2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for,
19 *inter alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead counsel.)

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

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

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1 n. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-
2 00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as class
3 counsel and granted final approval of wage and hour class action for unpaid overtime.)

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

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

13 q. *Moschetto v. Pillow Global, Inc. San Diego Superior Court*, Case No. 37-2017-
14 00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm,
15 APC, as Class Counsel and granted final approval for a wage and hour wage class action
16 settlement involving misclassified house cleaners.)

17 r. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No.
18 37-2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an unlawful
19 housing class action arising under Civil Code Section 1940.2)

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

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

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

3 v. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-
4 00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and rest
5 periods)

6 w. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-
7 2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee
8 misclassification);

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

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

13 z. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-
14 00058356-CU-BT-CTL (2015 - certified and settled class action for unlawful housing
15 practices arising out of Civil Code Section 1940.1);

16 25. Since 2010, my firm has successfully resolved more than sixty (65) cases and recovered
17 nearly of \$100 million on behalf of the Firm’s clients.

18 26. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a
19 favorable verdict for the firm’s clients.

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

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

26 **D. Strength of Plaintiff’s Case**

27 29. Here, the Settlement is clearly within the “ballpark” of reasonableness because the
28 Settlement provides a sizeable recovery to the Participating Class Members and need not necessarily

1 obtain 100 percent of the damages sought to be fair, reasonable, and ultimately, meaningful.
2 *Wershba*, 91 Cal. App. 4th at 250. While the Gross Settlement Amount of \$180,000 represents a
3 discount on Defendant's potential exposure if Plaintiffs established liability on all claims and were
4 awarded the full amount of the estimated damages at trial, this compromise is reasonable because: 1)
5 the formidable defenses raised by Defendant presented a risk that could award significantly less in
6 damages than Plaintiffs' estimate; and 2) any theoretical post-trial recovery may require many more
7 years of litigation, resulting in added fees and costs without any guarantee of recovery for the Class.

8 30. Although Class Counsel believe strongly in Plaintiffs' claims, it would be misguided to
9 ignore the asserted defenses. If successful on any one its defenses, Defendant could defense the
10 action or, at least, drastically undercut Plaintiffs' claims.

11 **E. Risks of Continued Litigation**

12 31. With respect to the most immediate challenge, i.e., class certification, the risks attendant
13 to the certification of similar wage and hour claims are demonstrated by *Magadia v. Wal-Mart*
14 *Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit, vacated reversed and
15 remanded a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime,
16 and directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber*
17 *Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification
18 action); *see also Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial
19 verdict in favor plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012)
20 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were
21 predominantly individualized questions of fact not susceptible to class treatment."); *Ali v. U.S.A. Cab*
22 *Ltd.* (2009) 176 Cal.App.4th 1333, 1341 (affirming denial of certification because employees'
23 declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries
24 were required to show harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217
25 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal
26 break classes due to lack of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249
27 F.R.D. 580, 587-88 (denying certification of driver meal and rest period claims based on the
28 predominance of individual issues). Collectively, the examples cited above illustrate the uncertain

1 nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested
2 motion is a significant risk factor favoring settlement.

3 32. Although Plaintiffs are confident about the strength of their claims, Plaintiffs
4 nevertheless recognize that Defendant has factual and legal defenses that, if successful, would
5 potentially defeat or impair the value of the lawsuit. Legally, the fast-changing landscape of wage
6 and hour litigation can drastically affect the value of Plaintiffs' claims and, in fact, already has.

7 33. While other cases have approved class certification in wage and hour claims, class
8 certification in this action would have been hotly disputed and was by no means a foregone
9 conclusion. Where both sides face significant uncertainty, as here, the attendant risks favor settlement.
10 There is little doubt that if Defendant faced a large adverse judgment, Defendant undoubtedly has the
11 resources to post a bond and appeal. A post-judgment appeal by Defendant would have required
12 many more years to resolve, assuming the judgment was affirmed. If the judgment was not affirmed
13 in total, then the case could have dragged on for years after the appeal. The benefits of a guaranteed
14 recovery today outweigh an uncertain result three or more years in the future.

15 34. Class Representatives and Class Counsel recognize the expense and length of a trial
16 against Defendant through possible appeals which could take another three years. In arriving at their
17 informed belief that the present settlement is fair and adequate, Class Counsel accounted for the
18 uncertain outcome and risk inherent in complex actions such as this one. Class Counsel is also
19 mindful of and recognize the inherent problems of proof under, and alleged defenses to, the claims
20 asserted in the litigation. Moreover, post-trial motions and appeals would have been inevitable. Costs
21 would have mounted, and recovery would have been delayed if not denied, thereby reducing the
22 benefits of an ultimate victory. Class Representatives and Class Counsel believe that the Settlement
23 confers substantial monetary and non-monetary benefits upon the Class. Based upon their evaluation,
24 Class Representatives and Class Counsel have determined that the Settlement set forth in the
25 Agreement is in the best interest of the Class, is fair, reasonable and adequate, and should be granted
26 final approval.

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1 **F. The Gross Settlement is Fair and Reasonable**

2 35. The Gross Settlement Amount of \$180,000 in this case is fair and well within the range
3 of recognized reasonableness. As detailed at the time of preliminary approval, the Gross Settlement
4 Amount is fair and reasonable considering the nature and magnitude of the claims being settled and
5 the various potential impediments to recovery. Class Counsel developed varied economic damages
6 models measuring Defendant's liability exposure while accounting for the uncertainties of continued
7 litigation. The various models were informed by Class Counsel's investigation, including the analysis
8 of a significant sample of time and payroll data. As detailed in greater depth during the preliminary
9 approval process, Class Counsel projected a range of Defendant's liability exposure for the claims
10 asserted on behalf of the Settlement Class. The Gross Settlement Amount of \$180,000.00 represents
11 approximately 23.2% of Defendant's class-wide liability exposure for damages, and approximately
12 15.1% of Defendant's class-wide liability exposure for damages and statutory penalties, as estimated
13 by Class Counsel at the time of mediation.

14 36. Clearly the goal of this litigation to obtain redress for the class has been met by this
15 Settlement. Given the amount of the Settlement, the risks of litigation and the arm's length
16 negotiations between experienced counsel, the settlement is fair and reasonable, and is therefore
17 entitled to final approval.

18 **IV. THE PENALTIES UNDER PAGA ARE REASONABLE**

19 37. Here, Plaintiffs and Defendant negotiated a good faith PAGA Settlement in the amount
20 of \$5,000 which is 2.8% of the Gross Settlement Amount. This amount falls well within the range of
21 approved PAGA Settlements. Seventy-Five percent (75%) of the PAGA Settlement (\$3,750.00) will
22 be paid to the LWDA ("LWDA Payment") with the remaining twenty-five percent (25%) to be
23 distributed to the Aggrieved Employees, which is within the range of PAGA penalties approved by
24 courts and should be approved.

25 38. Further, on March 21, 2023, Class Counsel gave the LWDA notice of this Settlement
26 and proposed allocation by filing a copy of the Settlement and the Motion for Preliminary Approval
27 with the LWDA. On August 21, 2023, Plaintiffs gave the LWDA notice of this motion seeking final
28

1 approval of this settlement. JCL Dec., ¶¶ 5, 40. By not registering an objection with either Class
2 Counsel or the Court, the LWDA has accepted and approved of the proposed PAGA Settlement.

3 I declare under the penalty of perjury under the laws of the State of California that the
4 foregoing is true and correct. Executed this 21th day of August 2023, at San Diego, California.

5 **JCL LAW FIRM, APC**

6 By: 
7 Jean-Claude Lapuyade
8 Attorneys for Plaintiff
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EXHIBIT A

JCL LAW FIRM, APC

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Attorneys for Plaintiffs

GABRIEL MENDEZ, GEORGE GOSCH,
JOHN DIAN and MICHAEL KNIGHTON

(Defense counsel listed on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN JOAQUIN

GABRIEL MENDEZ, an individual, on behalf
of herself and on behalf of all persons similarly
situated,

Plaintiff,

v.

BONDZ, INC., a California Corporation; and
DOES 1-50, Inclusive,

Defendants.

Case No.: STK-CV-UOE-2020-0007486

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

Assigned to: Hon. George J. Abdallah
Dept. 10A

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
2 Including Professional Corporations
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15 Attorneys for Defendant
16 BONDZ, INC.
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1 Subject to final approval by the Court, which counsel and the Parties agree to pursue and
2 recommend in good faith, Plaintiffs Gabriel Mendez, George Gosch, John Dian, and Michael
3 Knighton (collectively, “Plaintiffs”), individually and on behalf of all others similarly situated and
4 allegedly aggrieved employees, on the one hand, and Defendant Bondz, Inc. (“Defendant”), on the
5 other hand (together, the “Parties” and individually, a “Party”), hereby agree to the following
6 binding settlement of the class and representative action designated Gabriel Mendez v. Bondz,
7 Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486 (the “Action”),
8 pursuant to the terms and conditions set forth below (the “Settlement,” “Settlement Agreement,”
9 or “Agreement”). Upon the Effective Date, and the payment by Defendant of all monies due
10 under the Agreement, the Parties shall file a Proposed Final Judgment with the Motion for Final
11 Approval.

12 **I. Definitions.**

13 The following definitions are applicable to this Settlement Agreement. Definitions
14 contained elsewhere in this Settlement Agreement will also be effective:

15 **A. “Action”**

16 The case entitled, Gabriel Mendez v. Bondz, Inc., San Joaquin County Superior
17 Court, Case No. STK-CV-UOE-2020-0007486.

18 **B. “Attorneys’ Fees and Costs”**

19 The attorneys’ fees and costs approved by the Court for Class Counsel’s litigation
20 and resolution of the Action. Class Counsel will request attorneys’ fees not to exceed one-third
21 (1/3) of the Class Settlement Amount of \$180,000.00 (currently \$60,000.00). Attorneys’ fees will
22 be divided between Class Counsel as follows: 50% to Zakay Law Group, APLC, and 50% to the
23 JCL Law Firm, APC. Class Counsel will also seek reimbursement of costs, in an amount not to
24 exceed \$15,000.00. The attorneys’ fees and costs awarded are subject to the Court’s approval.
25 Should the Court not approve the requested Attorneys’ Fees and Costs award(s), this Settlement
26 Agreement shall remain valid and binding and any difference between the requested Attorneys’
27 Fees and Costs award(s) and the actual award(s) shall be allocated to the Net Settlement Amount.
28 Defendant has agreed not to oppose Class Counsel’s request for attorneys’ fees and reimbursement

1 of costs and expenses as set forth above. All Attorneys' Fees and Costs shall be paid from the
2 Class Settlement Amount. No counsel shall be entitled to any amount of attorneys' fees or costs
3 for work performed in the Action other than as provided in this Settlement Agreement. This
4 Settlement Agreement is the exclusive means for recovery of attorneys' fees and costs incurred in
5 the Action by any attorney, law firm, and/or other legal services provider. The Settlement
6 Administrator will issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs
7 detailed in this Section. Class Counsel shall be solely and legally responsible for paying all
8 applicable taxes on the payment made pursuant to this Section. This Settlement Agreement is the
9 exclusive means to recover attorney's fees and costs incurred in the Action by any Party.

10 **C. "Class Counsel"**

11 Shani Zakay of Zakay Law Group, APLC, and Jean-Claude Lapuyade of JCL Law
12 Firm, APC shall be appointed Class Counsel upon approval by the Court.

13 **D. "Class List"**

14 A complete list of all Class Members (as that term is defined below) and PAGA
15 Settlement Members that Defendant will diligently and in good faith compile from its records and
16 provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary
17 Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office
18 Excel spreadsheet and will include each Class Member's full name, last known mailing address,
19 last known telephone number, Social Security number, dates of employment (*i.e.*, hire date and
20 termination date), and any other relevant information needed to calculate settlement payments.

21 **E. "Class Member(s)" or "Settlement Class"**

22 Class Members or the Settlement Class consist of all individuals who are or were
23 employed by Defendant as truck driver employees in California at any time during the Class
24 Period. Defendant represents that there are approximately 5,674 workweeks during the time
25 period of September 9, 2016 through November 9, 2020. If the actual number of workweeks
26 during the Class Period increases by more than ten percent (10%) (*i.e.*, if the total number of
27 workweeks exceeds 6,241) at the date of Preliminary Approval, then the Class Settlement Amount
28 will increase proportionately over the 10% grace threshold (*i.e.*, meaning if the total number of

1 weeks worked through November 9, 2020 increases by 11%, the Class Settlement Amount will
2 increase by 1%).

3 **F. “Class Period”**

4 The Class Period is defined to mean the period from September 9, 2016 through
5 November 9, 2020.

6 **G. “Class Representative Enhancement Payments”**

7 The amounts to be paid to Plaintiffs in recognition of their effort and work in
8 prosecuting the Action on behalf of Class Members and for their general release of claims.
9 Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiffs will request
10 Court approval of a Class Representative Enhancement Payments in the amount of \$10,000.00 to
11 plaintiff Gabriel Mendez and \$5,000.00 each to plaintiffs George Gosch, John Dian, and Michael
12 Knighton. Should the Court not approve the requested Class Representative Enhancement
13 Payment(s), this Settlement Agreement shall remain valid and binding and any difference between
14 the requested Class Representative Enhancement Payment(s) and the actual award(s) shall be
15 allocated to the Net Settlement Amount. The Settlement Administrator will issue an IRS Form
16 1099 to Plaintiffs in connection with their Class Representative Enhancement Payments. Plaintiffs
17 shall be solely and legally responsible for paying any and all applicable taxes on this payment and
18 shall indemnify, defend, and hold harmless the Released Parties from any claim or liability for
19 taxes, penalties, or interest arising as a result of the Class Representative Enhancement Payments.
20 The Class Representative Enhancement Payments will be paid from the Class Settlement Amount,
21 will be in addition to Plaintiffs’ Individual Settlement Payments, and are conditioned on the
22 execution of a stand-alone settlement agreement and general release of claims. Defendant makes
23 no representations as to the tax treatment or legal effect of the payment called for herein, and
24 Plaintiffs are not relying on any statement or representation by Defendant or its counsel in this
25 regard.

26 **H. “Class Settlement Amount”**

27 The total sum of \$180,000.00. All payments associated with the Settlement shall
28 be paid from the Class Settlement Amount. The Class Settlement Amount includes all Individual

1 Settlement Payments to Class Members, Individual PAGA Payments, Class Representative
2 Enhancement Payments, Settlement Administration Costs, LWDA Payment, and Attorneys' Fees
3 and Costs. Employer-owed taxes on the wage portion of the Settlement shall be funded by
4 Defendant separately from and in addition to the Class Settlement Amount, and calculated and
5 distributed by the Settlement Administrator.

6 **I. "Defendant"**

7 Defendant Bondz, Inc.

8 **J. "Effective Date"**

9 The date on which the Settlement is finally approved, and the Superior Court's
10 Final Judgment becomes final. For the purposes of this Section, the Final Judgment "becomes
11 final" upon the latter of: (1) if there are no objections or challenges to the Settlement, the date on
12 which Notice of Entry of Judgment is served; (2) if there are objections or challenges to the
13 Settlement, the latter of: (a) if no appeal is filed, the expiration date of the time for the filing or
14 noticing of any appeal from, or other challenge to, the Order Granting Final Approval; (b) the date
15 of affirmance of an appeal of the Order Granting Final Approval becomes final under the
16 California Rules of Court; or (c) the date of final dismissal of any appeal from the Order Granting
17 Final Approval or the final dismissal of any proceeding on review of any court of appeal decision
18 relating to the Order Granting Final Approval. In this regard, it is the intention of the Parties that
19 the Settlement shall not become final until the Court's order approving the Settlement is
20 completely final, the Court has entered an appropriate judgment, and there is no further recourse
21 by an appellant or objector, if any, who seeks to contest the Settlement.

22 **K. "Final Approval" or "Final Award"**

23 The Court entering an Order Granting Final Approval of the Settlement Agreement.

24 **L. "Individual PAGA Payment"**

25 Each PAGA Settlement Member's share of the LWDA Payment, which shall be
26 distributed based on the PAGA Settlement Members' share of pay periods worked during the
27 PAGA Period. One hundred percent (100%) of each PAGA Settlement Members' individual
28

1 payment amount shall constitute penalties (and each PAGA Settlement Class member will be
2 issued an IRS Form 1099 for such payment to him or her).

3 **M. “Individual Settlement Payment”**

4 Each Class Member’s share of the Net Settlement Amount, which shall be
5 distributed to the Class Members, less employee portions of state and federal withholding taxes,
6 including the employee FICA, FUTA and SDI contributions and any other applicable payroll
7 deductions required by law as a result of the payment of the amount allocated to such Class
8 Member as set forth herein.

9 **N. “LWDA Notice”**

10 The Parties agree that Plaintiffs will submit Notice to the Labor and Workforce
11 Development Agency (“LWDA”) of this Settlement along with a copy of this Settlement
12 Agreement concurrently when Plaintiffs file their Motion for Preliminary Approval of Class
13 Action Settlement, and will thereafter submit a copy of any judgment or any other order (*e.g.*, the
14 Final Award) providing for an award of civil penalties in conformity with Labor Code Section
15 2699(l).

16 **O. “LWDA Payment”**

17 The amount that the Parties have agreed to pay to the LWDA in connection with
18 the PAGA claim. The Parties have agreed that \$5,000.00 of the Class Settlement Amount will be
19 allocated to the resolution of any Class Members’ claims arising under the PAGA (“PAGA
20 Settlement Amount”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or
21 \$3,750.00, will be payable to the LWDA, and the remaining twenty-five percent (25%), or
22 \$1,250.00, of the PAGA Settlement Amount will be payable to the PAGA Settlement Members.

23 **P. “Net Settlement Amount”**

24 The portion of the Class Settlement Amount remaining after deduction of the
25 approved Class Representative Enhancement Payments, Settlement Administration Costs, LWDA
26 Payment, and Attorneys’ Fees and Costs.

1 **Q. “Notice of Objection”**

2 A Class Member’s valid and timely written objection to the Settlement Agreement.
3 For the Notice of Objection to be valid, it must include the objector’s full name, signature,
4 address, telephone number and a written statement of all grounds for the objection accompanied
5 by legal support, if any, for such objection. The Notice of Objection must be returned by mail or
6 faxed to the Settlement Administrator at the specified address or facsimile number and postmarked
7 or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation
8 will be the exclusive means to determine whether a Notice of Objection has been timely
9 submitted.

10 Class Members who fail to make objections in the manner specified above shall be
11 deemed to have waived any objections and shall be foreclosed from making any objection
12 (whether by appeal or otherwise) to the Settlement Agreement, unless the Court approves and/or
13 allows an in-person appearance at the final approval hearing to assert objections. Neither the
14 Parties nor their counsel will solicit or otherwise encourage Class Members to submit written
15 objections to the Settlement Agreement or appeal from the Final Award. Class Counsel will not
16 represent any Class Members with respect to any such objections to this Settlement. The
17 Settlement Administrator shall provide counsel for the Parties with complete copies of all
18 objections received, including the date of postmark or fax receipt confirmation for each objection,
19 within five (5) business days of receipt, and shall file any objections received with the Court.
20 Class Counsel will provide copies of any objections and supporting documents to the Court at
21 least sixteen (16) court days before the Final Approval Hearing.

22 **R. “Notice of Settlement”**

23 The document substantially in the form attached as Exhibit 1 that will be mailed to
24 last known addresses of Class Members and PAGA Settlement Members and which will provide
25 Class Members and PAGA Settlement Members with information regarding the Action and
26 information regarding the Settlement of the Action. The Parties agree that English notices will be
27 sufficient.
28

1 **S. “Notice Packet”**

2 The Notice of Settlement and Individual Settlement Payment calculations, to
3 include total workweeks worked information, a proposed version of which is attached hereto as
4 Exhibit 1.

5 **T. “PAGA Period”**

6 The period from July 1, 2019 through November 9, 2020.

7 **U. “PAGA Released Claims”**

8 All claims for civil penalties under PAGA asserted in the Action, as amended,
9 and/or arising from or related to the facts and claims alleged in the Action, as amended, or the July
10 1, 2020 PAGA letter sent to the LWDA, or that could have been raised in the Action, as amended,
11 or the July 1, 2020 PAGA letter sent to the LWDA based on the facts and claims alleged. The
12 PAGA Released Claims include all PAGA claims asserted in the Action, as amended, and/or
13 arising from or related to the facts and claims alleged in the Action, as amended. The Released
14 PAGA Claims include all claims for civil penalties under PAGA arising from or related to unpaid
15 wages, including, failure to pay minimum wages, straight time compensation, overtime
16 compensation, double-time compensation, and interest; the calculation of the regular rate of pay;
17 missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums;
18 failure to provide meal periods; failure to authorize and permit rest periods and/or recovery
19 periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for
20 all hours worked, including off-the-clock work; failure to reimburse business expenses; wage
21 statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages;
22 failure to pay all wages due at the end of the employment relationship; non-compliant wage
23 statements; and attorneys’ fees and costs; all claims for civil penalties under PAGA related to the
24 PAGA Released Claims arising under the Wage Orders of the California Industrial Welfare
25 Commission. This release excludes the release of claims not permitted by law.

26 **V. “PAGA Settlement Members”**

27 All individuals who were employed by Defendant as truck driver employees in
28 California at any time from July 1, 2019 through November 9, 2020.

1 **W. “Plaintiffs”**

2 Gabriel Mendez, George Gosch, John Dian, and Michael Knighton.

3 **X. “Plaintiffs’ Released Claims”**

4 Upon the Effective Date and funding of the Class Settlement Amount by
5 Defendant, and as a condition of receiving any portion of their Class Representative Enhancement
6 Payments, Plaintiffs, each in their individual capacity, shall fully and finally release the Released
7 Parties from any and all claims, known and unknown, under federal, state and/or local law, statute,
8 ordinance, regulation, common law, or other source of law, including but not limited to claims
9 arising from or related to their employment with Defendant and
10 their compensation while an employee of Defendant. Plaintiffs’ Released Claims include, but are
11 not limited to, all claims asserted in the Action, as amended, and/or arising from or related to the
12 Action, as amended, or the PAGA letter sent to the LWDA on Plaintiffs’ behalf. Plaintiffs’
13 Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay
14 minimum wages, straight time compensation, overtime compensation, double-time compensation,
15 and interest; the calculation of the regular rate of pay; wages related to alleged illegal time
16 rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period
17 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
18 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
19 premiums; reimbursement for all necessary business expenses; payment for all hours worked,
20 including off-the-clock work; failure to pay vacation wages; timely payment of wages due; wage
21 statements; unlawful deductions; failure to keep accurate records; unfair business practices;
22 penalties, including, but not limited to, recordkeeping penalties, wage statement penalties,
23 minimum-wage penalties, and waiting-time penalties; and attorneys’ fees and costs. Plaintiffs’
24 Released Claims include all claims arising under the California Labor Code (including, but not
25 limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5,
26 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511,
27 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198,
28 2802, 2698 et seq., 2699 et seq., and 2802); all claims arising under: the Wage Orders of the

1 California Industrial Welfare Commission; the California Private Attorneys General Act of 2004
2 (“PAGA”); California Business and Professions Code section 17200, et seq.; the California Civil
3 Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR §
4 11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the
5 FLSA, 29 U.S.C. § 201, et seq.; federal common law; and the Employee Retirement Income
6 Security Act, 29 U.S.C. § 1001, et seq. (“ERISA”). Plaintiffs’ Released Claims also include all
7 claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and
8 attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment,
9 retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C.
10 section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the
11 Age Discrimination in Employment Act, and the California Fair Employment and Housing Act;
12 and the law of contract and tort. This release excludes the release of claims not permitted by law.

13 Plaintiffs’ Released Claims include all claims, whether known or unknown. Even if
14 Plaintiffs discover facts in addition to or different from those that they now know or believe to be
15 true with respect to the subject matter of Plaintiffs’ Released Claims, those claims will remain
16 released and forever barred. Thus, Plaintiffs expressly waive and relinquish the provisions, rights
17 and benefits of section 1542 of the California Civil Code, which reads:

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

22 **Y. “Preliminary Approval”**

23 The Court’s order granting preliminary approval of the Settlement Agreement.

24 **Z. “Qualified Settlement Account”**

25 The fund established by the Settlement Administrator pursuant to Internal Revenue
26 Code Section 1.468B-1, which will be funded by Defendant within 30 calendar days of the
27 Effective Date.

1 **AA. “Released Class Claims”**

2 As of the date of the Order Granting Final Approval and funding of the Class
3 Settlement Amount by Defendant, all Class Members who do not timely submit a valid Request
4 for Exclusion (as that term is defined below) shall fully and finally release Released Parties of the
5 Released Class Claims during the Class Period. The Released Class Claims include all claims and
6 liability theories asserted in the Action, as amended, and/or arising from or related to the facts and
7 claims alleged in the Action, as amended, or in the PAGA letter sent to the LWDA on Plaintiffs’
8 behalf, or that could have been raised in the Action, as amended, or in the July 1, 2020 PAGA
9 letter sent to the LWDA based on the facts and claims alleged. The Released Class Claims include
10 all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation,
11 overtime compensation, double-time compensation, and interest; the calculation of the regular rate
12 of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period
13 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
14 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
15 premiums; payment for all hours worked, including off-the-clock work; failure to reimburse
16 business expenses; wage statements; unlawful deductions; failure to pay all wages when due;
17 failure to pay vacation wages; unfair business practices related to the Released Class Claims;
18 penalties, including wage statement penalties, minimum wage penalties, and waiting-time
19 penalties; non-compliant wage statements; and attorneys’ fees and costs; all claims related to the
20 Released Class Claims arising under: the Wage Orders of the California Industrial Welfare
21 Commission; California Business and Professions Code section 17200, et seq.; the Fair Labor
22 Standards Act (“FLSA”), 29 U.S.C. § 201 et seq.; and federal common law. This release excludes
23 the release of claims not permitted by law.

24 Upon entry of Judgment, Class Members are precluded from filing a wage and hour
25 action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of
26 action encompassed by the Released Class Claims, which are extinguished and precluded pursuant
27 to the holding in *Rangel v. PLS Check Cashers of Cal., Inc.*, 899 F.3d 1106 (9th Cir. 2018). The
28 following language will be printed on the reverse of each Settlement Payment Check, or words to

1 this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read,
2 understand, and agree to the terms set forth in the Notice of Class Action Settlement, and I consent
3 to join in the Fair Labor Standards Act (“FLSA”) portion of Gabriel Mendez v. Bondz, Inc., San
4 Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486, elect to participate in the
5 settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the
6 Settlement.”

7 **BB. “Released Parties”**

8 Defendant and each of its past, present and future agents, employees, clients,
9 servants, officers, directors, managing agents, members, owners (whether direct or indirect),
10 partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries,
11 equity sponsors, related companies/corporations and/or partnerships, divisions, assigns,
12 predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and
13 alleged joint employers, temporary staffing agencies, common law employers, potential and
14 alleged common law employers, dual employers, co-employers, potential and alleged co-
15 employers, contractors, affiliates, service providers, alter-egos, potential and alleged alteregos,
16 vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint
17 liability, and all of their respective past, present and future employees, directors, officers,
18 members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries,
19 parents, subsidiaries, other service providers, and assigns.

20 **CC. “Request for Exclusion”**

21 A notice submitted by a Class Member requesting to be excluded from the
22 Settlement. For the Request for Exclusion to be valid, it must include the Class Member’s full
23 name, signature, address, telephone number and a written statement requesting to be excluded
24 from this Settlement. The Request for Exclusion must be returned by mail or fax to the Settlement
25 Administrator at the specified address or facsimile number and postmarked or faxed on or before
26 the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive
27 means to determine whether a Request for Exclusion has been timely submitted. A Class Member
28 who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed

1 a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is
2 granted Final Approval by the Court. PAGA Settlement Members, regardless of whether they
3 submit a Request for Exclusion, will release the PAGA Released Claims for the PAGA Period.

4 **DD. "Response Deadline"**

5 The deadline by which Class Members must mail or fax to the Settlement
6 Administrator valid Requests for Exclusion, Notices of Objection to the Settlement, or workweek
7 disputes. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
8 the Notice Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal
9 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
10 Postal Service is open. The Response Deadline for Requests for Exclusion, Notices of Objection,
11 or workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-
12 mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or
13 Federal holiday, in which case the Response Deadline will be extended to the next day on which
14 the U.S. Postal Service is open. The Response Deadline may also be extended by express
15 agreement between Class Counsel and Defendant. Under no circumstances, however, will the
16 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members
17 to submit a Request for Exclusion, Notice of Objection to the Settlement, or workweek disputes.

18 **EE. "Settlement Administrator"**

19 ILYM Group, Inc shall be the third-party class action settlement administrator as
20 agreed to by the Parties and approved by the Court for the purposes of administering this
21 Settlement. The Parties each represent that they do not have any financial interest in the
22 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
23 could create a conflict of interest.

24 **FF. "Settlement Administration Costs"**

25 The costs payable from the Class Settlement Amount to the Settlement
26 Administrator for administering this Settlement, including, but not limited to, printing,
27 distributing, and tracking documents for this Settlement, calculating estimated amounts per Class
28 Member, tax reporting, distributing the Class Settlement Amount, and providing necessary reports

1 and declarations, and other duties and responsibilities set forth herein to process this Settlement
2 Agreement, and as requested by the Parties. The Settlement Administration Costs will be paid
3 from the Class Settlement Amount, including, if necessary, any such costs in excess of the amount
4 represented by the Settlement Administrator as being the maximum costs necessary to administer
5 the Settlement, which are anticipated to be no greater than \$4,500. To the extent actual Settlement
6 Administration Costs are greater than \$4,500, such excess amount will be deducted from the Class
7 Settlement Amount, subject to the Court's approval.

8 **GG. "Second Amended Complaint"**

9 The Second Amended Complaint filed on February 8, 2023.

10 **HH. "Settlement Payment Check"**

11 The payment to Class Members. The back of the Settlement Payment Check shall
12 state, immediately below the space where the check is to be endorsed by the payee: "By endorsing
13 or otherwise negotiating this check, I acknowledge that I read, understand, and agree to the terms
14 set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards
15 Act ("FLSA") portion of the Gabriel Mendez v. Bondz, Inc., San Joaquin County Superior Court,
16 Case No. STK-CV-UOE-2020-0007486, elect to participate in the settlement of the FLSA claims,
17 and agree to release all of my FLSA claims that are covered by the Settlement."

18 **II. Recitals.**

19 From the outset of litigation in this Action, the Parties conducted significant
20 investigation and discovery of the facts and law. Defendant produced documents pertaining to its
21 policies, practices, and procedures regarding, *inter alia*, payment of wages, reimbursement of
22 business expenses, paying truck drivers for all hours worked, meal and rest period policies,
23 overtime pay policies, vacation pay policies, and payroll and operational policies. Plaintiffs also
24 reviewed time records, pay records, and information relating to the size and scope of the
25 Settlement Class, as well as information permitting Plaintiffs to understand the number of
26 workweeks in the Class Period. The Parties agree that the above-described investigation and
27 evaluation, as well as the information exchanged during the settlement negotiations, are more than
28

1 sufficient to assess the merits of the respective Parties' positions and to compromise the issues on
2 a fair and equitable basis.

3 This Settlement is the culmination of longstanding efforts by the Parties to fully
4 evaluate the case and resolve the dispute. Since mid-2021, the Parties have engaged in back-and-
5 forth settlement negotiations. The Parties retained private mediator Tripper Ortman to facilitate
6 informal settlement negotiations. While these initial efforts were unsuccessful, the initial
7 settlement negotiations facilitated by Mr. Ortman enabled the Parties to assess the strengths and
8 weaknesses of their respective litigation positions in good faith. Subsequently, the Parties
9 engaged in a formal mediation before Hon. Steven R. Denton (Ret.) on October 6, 2022, which
10 was successful.

11 Plaintiffs and Class Counsel recognize the expense and length of continued
12 proceedings necessary to continue the litigation against Defendant through trial and through any
13 possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and
14 risk of further litigation, the potential outcome, and the difficulties and delays inherent in such
15 litigation. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in
16 this Settlement Agreement is a fair, adequate, and reasonable settlement, and is in the best interests
17 of the Class Members. Defendant recognizes that the defense of this litigation will be protracted
18 and expensive. Substantial amounts of time, energy, and resources of Defendant have been and,
19 unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by
20 Plaintiffs. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in
21 this Agreement to put to rest the Released Class Claims and PAGA Released Claims.

22 Defendant generally and specifically denies any and all liability or wrongdoing of
23 any sort with regard to any of the claims alleged, makes no concessions or admissions of liability
24 of any sort, and contends that for any purpose other than this Settlement, the Action is not
25 appropriate for class or representative treatment. Defendant asserts a number of defenses to the
26 claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or
27 conduct in the Action. Neither this Settlement Agreement, nor any document referred to or
28 contemplated herein, nor any action taken to carry out this Settlement Agreement, is or may be

1 construed as, or may be used as an admission, concession, or indication by or against Defendant or
2 any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the
3 Settlement Agreement be construed as an admission that Plaintiffs can serve as adequate Class
4 Representatives. There has been no determination by any court as to the merits of the claims
5 asserted by Plaintiffs against Defendant or as to whether a class or classes should be certified,
6 other than for settlement purposes only.

7 Plaintiffs assert that Defendant's defenses are without merit. Neither this
8 Settlement Agreement nor any documents referred to or contemplated herein, nor any action taken
9 to carry out this Settlement Agreement is, may be construed as, or may be used as an admission,
10 concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits
11 of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this
12 Settlement is finally approved by the Court, none of Plaintiffs, Class Members, or Class Counsel
13 will oppose Defendant's efforts to use this Settlement Agreement to prove that Plaintiffs, Class
14 Members, and PAGA Settlement Members have resolved and are forever barred from re-litigating
15 the Released Class Claims and PAGA Released Claims.

16 **III. Funding of the Class Settlement Amount.**

17 Within thirty (30) calendar days of the Effective Date of the Settlement, Defendant will
18 deposit the Class Settlement Amount into a Qualified Settlement Account to be established by the
19 Settlement Administrator. Within ten (10) calendar days of the full funding of the Settlement, the
20 Settlement Administrator will issue payments to: (a) Class Members; (b) the LWDA and PAGA
21 Settlement Members; (c) Plaintiffs; and (d) Class Counsel. The Settlement Administrator will also
22 issue a payment to itself for Court-approved services performed in connection with the Settlement.
23 Defendant has no obligation to deposit such funds prior to the deadlines set forth herein.

24 **IV. Individual Settlement Payment Calculations.**

25 1. Individual Settlement Payments will be calculated and apportioned from the Net
26 Settlement Amount based on the number of workweeks a Class Member worked in the Class
27 Period, and the pay periods worked by the PAGA Settlement Members during the PAGA Period.
28 Specific calculations of Individual Settlement Payments will be made as follows:

1 **Class Members Who Are Not Also PAGA Settlement Members**

2 1(a) The Settlement Administrator will calculate the total number of workweeks
3 worked by each Class Member during the Class Period (“Individual
4 Workweeks”) as described above.

5 1(b) To determine each Class Member’s Individual Settlement Payment, the
6 Settlement Administrator will use the following formula: Individual
7 Settlement Payment = (Individual Workweeks ÷ Total Class Workweeks) ×
8 Net Settlement Amount.

9 **Class Members Who Are Also PAGA Settlement Members**

10 1(c) Where a Class Member is also a PAGA Settlement Member, the Settlement
11 Administrator will also calculate the total number of pay periods worked by
12 each PAGA Settlement Member during the PAGA Period as described above.
13 Thus, a PAGA Settlement Member will receive an Individual PAGA Payment
14 and an Individual Settlement Payment.

15 1(d) To determine each PAGA Settlement Member’s Individual PAGA Payment,
16 the Settlement Administrator will use the following formula: Individual
17 Settlement Payment = (Individual Pay Periods ÷ Total PAGA Settlement
18 Members Pay Periods) × 25 % of the LWDA Payment.

19 2. The Individual Settlement Payment will be reduced by any required deductions for
20 each Class Member as set forth herein, including employee-side tax withholdings or deductions.
21 Twenty percent (20%) of each Class Member’s Individual Settlement Payment shall constitute
22 payment in the form of wages (and each Class Member will be issued an IRS Form W-2 for such
23 payment) and eighty percent (80%) of each Class Member’s Individual Settlement Payment shall
24 constitute penalties and interest (and each Class Member will be issued an IRS Form 1099 for
25 such payment).

26 3. The Individual PAGA Payment will not be reduced by any deductions. One
27 hundred percent (100%) of each PAGA Settlement Member’s individual payment amount shall
28

1 constitute penalties (and each PAGA Settlement Class member will be issued an IRS Form 1099
2 for such payment).

3 4. The Individual Settlement Payments made to Class Members under this Settlement,
4 and any other payments made pursuant to this Settlement, will not be utilized to calculate any
5 additional benefits under any benefit plans to which any Class Members or PAGA Settlement
6 Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k)
7 plans, stock purchase plans, vacation plans, sick leave plans, paid time off plans, and any other
8 benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any
9 rights, contributions, or amounts to which any Class Members or PAGA Settlement Members
10 may be entitled under any benefit plans.

11 **V. Settlement Administration Process.**

12 5. The Parties agree to cooperate in the administration of the Settlement and to make
13 all reasonable efforts to control and minimize the costs and expenses incurred in administration of
14 the Settlement. The Settlement Administrator will provide the following services:

- 15 a. Establish and maintain a Qualified Settlement Account.
- 16 b. Calculate the Individual Settlement Payment each Class Member/PAGA
17 Settlement Member and is eligible to receive.
- 18 c. Print and mail the Notice Packet.
- 19 d. Establish and maintain a settlement administration website and toll-free
20 information telephone support line to assist Class Members/PAGA
21 Settlement Members who have questions regarding the Notice Packet.
- 22 e. Conduct additional address searches for mailed Notice Packets that are
23 returned as undeliverable.
- 24 f. Calculate Class Members' Individual Settlement Payments, calculate
25 PAGA Settlement Members' Individual PAGA Payments, field inquiries
26 from Class Members/PAGA Settlement Members, and process and
27 administer any Requests for Exclusion or Objections. This service will
28 include settlement proceed calculation, printing and issuance of Settlement

1 Payment Checks, and preparation of IRS W-2 and 1099 Tax Forms. Basic
2 accounting for and payment of employee tax withholdings and forwarding
3 all payroll taxes and penalties to the appropriate government authorities will
4 also be included as part of this service.

5 g. Issuing to Plaintiffs, Class Members, PAGA Settlement Members, and
6 Class Counsel any W-2, 1099, or other tax forms as may be required by law
7 for all amounts paid pursuant to this Settlement.

8 h. Provide declarations and/or other information to the Court as requested by
9 the Parties and/or the Court.

10 i. Provide weekly status reports to counsel for the Parties.

11 j. Send to the Controller of the State of California any monies remaining from
12 the Net Settlement Amount due to Class Members or PAGA Settlement
13 Members failing to negotiate Individual Settlement Payments within 180
14 days of distribution. Any monies remaining in the distribution account shall
15 be distributed to the Controller of the State of California to be held pursuant
16 to the Unclaimed Property Law, California Civil Code § 1500 *et seq.* for the
17 benefit of those Class Members or PAGA Settlement Members who did not
18 cash their checks until such time that they claim their property. This
19 disposition results in no “unpaid residue” under California Civil Procedure
20 Code § 384, as the entire Settlement Payment will be paid out to Class
21 Members or PAGA Settlement Members, whether or not they all cash their
22 Settlement Checks. Therefore, Defendant will not be required to pay any
23 interest on said amount.

24 6. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide
25 the Class List to the Settlement Administrator.

26 7. Within fourteen (14) calendar days after receiving the Class List from Defendant,
27 the Settlement Administrator will mail a Notice Packet to all Class Members and PAGA
28

1 Settlement Members via regular First-Class U.S. Mail, using the last known mailing addresses
2 identified in the Class List.

3 8. Prior to mailing, the Settlement Administrator will perform a search based on the
4 National Change of Address Database for information to update and correct any known or
5 identifiable address changes. Any Notice Packets returned to the Settlement Administrator as
6 non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class
7 U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate
8 the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the
9 Settlement Administrator will promptly attempt to determine the correct address using a skip-
10 trace, or other search using the name, address and/or Social Security number of the Class Member
11 or PAGA Settlement Member involved, and will then perform a single re-mailing. Those Class
12 Members or PAGA Settlement Members who receive a re-mailed Notice Packet, whether by skip-
13 trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b)
14 the Response Deadline to postmark or fax a Request for Exclusion, Notice of Objection to the
15 Settlement, or workweek dispute.

16 9. All Class Members will be mailed a Notice Packet containing the form attached as
17 Exhibit 1 as approved by the Court.

18 10. Class Members and PAGA Settlement Members will have an opportunity to
19 dispute the information provided in their Notice Packets. To the extent Class Members or PAGA
20 Settlement Members dispute the number of Individual Workweeks to which they have been
21 credited or the amount of their Individual Settlement Payment, Class Members may produce
22 evidence to the Settlement Administrator showing that such information is inaccurate. Absent
23 evidence rebutting Defendant's records, Defendant's records will be presumed determinative.
24 However, if a Class Member or PAGA Settlement Member produces evidence to the contrary, the
25 Settlement Administrator will evaluate the evidence submitted by the Class Member or PAGA
26 Settlement Member and will make the final decision as to the number of eligible Individual
27 Workweeks that should be applied and/or the Individual Settlement Payment to which the Class
28 Member or PAGA Settlement Member may be entitled. The workweek dispute must be returned

1 by mail or fax to the Settlement Administrator at the specified address or facsimile number and
2 postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt
3 confirmation will be the exclusive means to determine whether a workweek dispute has been
4 timely submitted. All such disputes are to be resolved not later than fourteen (14) calendar days
5 after the Response Deadline.

6 11. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
7 Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the
8 Settlement Administrator within the Response Deadline. The date of the postmark on the return
9 mailing envelope or the fax receipt confirmation will be the exclusive means to determine whether
10 a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted
11 to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's
12 Counsel the Requests for Exclusion that were timely submitted. Any Class Member who does not
13 timely seek exclusion will be bound by the terms of this Settlement Agreement. In addition,
14 PAGA Settlement Members, regardless of whether they opt-out of the Settlement Agreement, will
15 still release the PAGA Released Claims for the PAGA Period.

16 12. Objections. Class Members who do not submit a Request for Exclusion may object
17 to this Settlement as explained in the Notice Packet by filing a written objection with the
18 Settlement Administrator (who shall serve all objections as received on Class Counsel and
19 Defendant's counsel). To be valid, any objection must: (1) contain the objecting Class Member's
20 full name and current address, as well as contact information for any attorney representing the
21 objecting Class Member for purposes of the objection; (2) include all objections and the factual
22 and legal bases for same; (3) include any and all supporting papers, briefs, written evidence,
23 declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline.

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

1 defective and that the defect must be cured to render the workweek dispute, Objection or Request
2 for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or
3 (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark
4 or fax a revised workweek dispute, Objection or Request for Exclusion.

5 **VI. NULLIFICATION OF THE SETTLEMENT AGREEMENT.**

6 14. Defendant's Option to Nullify the Settlement Agreement. If more than eight
7 percent (8%) of the Class Members opt out of the Settlement (or are otherwise excluded),
8 Defendant, in its sole discretion, shall have the option of nullifying the Settlement Agreement. In
9 such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be
10 returned to their respective statuses as of the date and time immediately prior to the execution of
11 this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had
12 not been executed, except that any fees already incurred by the Settlement Administrator shall be
13 paid by Defendant.

14 15. Nullification of the Settlement Agreement. In the event: (i) the Court does not
15 enter the Preliminary Approval Order and approve the Class Released Claims specified herein;
16 (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendant exercises
17 its option to nullify the Settlement Agreement based on an excessive number of opt-outs, as
18 described in Section VI.14 above; or (iv) the Settlement does not become final for any other
19 reason (*e.g.*, an objection by the LWDA), this Settlement Agreement shall be null and void. A
20 reduction of the Attorneys' Fees and Costs and/or any Class Representative Enhancement
21 Payment(s) shall not be grounds for nullification of this Settlement. Any order or judgment
22 entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the
23 beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and
24 shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and
25 any funds to be awarded under this Settlement Agreement shall be returned to their respective
26 statuses as of the date and time immediately prior to the execution of this Settlement Agreement,
27 and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed,
28

1 except that any fees already incurred by the Claims Administrator shall be paid by Defendant and
2 Plaintiffs on a 50/50 basis.

3 16. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class
4 Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely
5 and valid Request for Exclusion will be bound by all terms, conditions, and covenants of the
6 Settlement Agreement, including, but not limited to, those pertaining to the Released Class
7 Claims.

8 **VII. Certification Reports Regarding Individual Settlement Payment Calculations.**

9 17. The Settlement Administrator will provide Defendant's counsel and Class Counsel
10 a weekly report which certifies: (a) the number of Class Members who have submitted valid
11 Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of any
12 such objection; and (c) whether any Class Member or PAGA Settlement Member has submitted a
13 challenge to any information contained in his/her Notice Packet. Additionally, the Settlement
14 Administrator will provide to counsel for both Parties any updated reports regarding the
15 administration of the Settlement Agreement as needed or requested.

16 18. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
17 will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180)
18 calendar days from the date of mailing, the checks shall become null and void, and any monies
19 remaining in the distribution account shall be distributed to the Controller of the State of
20 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et*
21 *seq.*, for the benefit of those Class Members and PAGA Settlement Members who did not cash
22 their checks until such time that they claim their property. This disposition results in no "unpaid
23 residue" under California Civil Procedure Code § 384, as the entire Settlement Payment will be
24 paid out to Class Members, whether or not they all cash their Settlement Checks. Therefore,
25 Defendant will not be required to pay any interest on said amount.

26 19. Certification of Completion. Upon completion of administration of the Settlement,
27 the Settlement Administrator will provide a written declaration under oath to certify such
28 completion to the Court and counsel for all Parties.

1 **VIII. Tax Treatment of Individual Settlement Payments.**

2 All Individual Settlement Payments will be allocated as follows: twenty percent (20%) of
3 each Individual Settlement Payment will be allocated as wages and eighty percent (80%) will be
4 allocated as non-wages, including penalties and interest. The portion allocated to wages will be
5 reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on an IRS
6 Form-1099 by the Settlement Administrator. The Individual Settlement Payments will be reduced
7 by any required legal deductions for each Class Member. All standard employee payroll
8 deductions will be made for state and federal withholding taxes, including any other applicable
9 payroll deductions owed by the Class Members as a result of the Wage Component, resulting in a
10 net wage component. The Settlement Administrator will issue a check and W-2 Form to each
11 Class Member for the wage component.

12 The Settlement Administrator will issue a second check and IRS Form-1099 for the
13 remaining PAGA penalty and interest component. No withholding shall be made on the penalty
14 and interest portion of the Individual Settlement Payment. The Settlement Administrator shall be
15 responsible for issuing the payments and calculating and withholding all required state and federal
16 taxes. The Settlement Administrator shall determine the eligibility for, and the amounts of, any
17 Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not
18 resolved by the Settlement Administrator concerning the administration of the Settlement will be
19 resolved by the Court, under the laws of the State of California. Prior to any such involvement of
20 the Court, counsel for the Parties will confer in good faith to resolve the dispute without the
21 necessity of involving the Court.

22 **IX. Administration of Taxes by the Settlement Administrator.**

23 20. Tax Liability. Defendant makes no representation as to the tax treatment or legal
24 effect of the payments called for hereunder, and Plaintiffs and Class Members are not relying on
25 any statement, representation, or calculation by Defendant, Class Counsel or by the Settlement
26 Administrator in this regard. Plaintiffs and Class Members understand and agree they will be
27 solely responsible for the payment of their share of any taxes and penalties assessed on the
28 payments described herein.

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

X. Release by Class Members

22. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to

1 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
2 action, cause of action or right herein released and discharged.

3 23. Class Release. It is the desire of Plaintiffs, Class Members, and Defendant to fully,
4 finally, and forever settle, compromise, and discharge the Released Class Claims. Upon the Final
5 Approval by the Court of this Settlement Agreement and funding in full of the Class Settlement
6 Amount by Defendant, and except as to such rights or claims as may be created by this Settlement
7 Agreement, all Class Members who do not exclude themselves by properly opting-out of the
8 Settlement shall fully release and discharge the Released Parties from any and all Released Class
9 Claims for the entire Class Period. This release shall be binding on all Class Members who have
10 not timely submitted a valid and complete Request for Exclusion, including each of their
11 respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs,
12 successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no
13 further or other liability or obligation to any Class Member with respect to the Released Class
14 Claims, except as expressly provided herein.

15 **XI. Preliminary Approval Hearing.**

16 24. Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of
17 the Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional
18 certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the
19 proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness
20 Hearing.

21 25. The Preliminary Approval Order will provide for the Notice Packet to be sent to all
22 Class Members as specified herein. In conjunction with the Preliminary Approval Hearing,
23 Plaintiffs will submit this Settlement Agreement and will include the proposed Notice Packet.
24 Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary
25 Approval, subject to review and comment by Defendant's counsel.

26 **XII. Final Settlement Approval Hearing and Entry of Judgment.**

27 26. Upon expiration of the Response Deadline, and with the Court's permission, a
28 Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of

1 the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement
2 Payments; (b) the LWDA Payment and PAGA Settlement Members; (c) the Attorneys' Fees and
3 Costs; (d) the Class Representative Enhancement Payments; and (e) all Settlement Administration
4 Costs.

5 27. The Final Approval/Settlement Fairness Hearing will be held no later than sixty
6 (60) calendar days after the Response Deadline, subject to the Court's availability. If the Court is
7 unable to hold the Final Approval/Settlement Fairness Hearing within sixty (60) calendar days
8 after the Response Deadline, Class Counsel will utilize its best efforts to obtain the earliest date
9 the Court has available for said hearing.

10 28. Class Counsel will be responsible for drafting all documents necessary to obtain
11 Final Approval, subject to review and comment by Defendant's counsel. Any failure by the Court
12 to fully and completely approve the Settlement Agreement will result in this Settlement
13 Agreement entered into by the Parties, and all obligations under this Settlement Agreement, being
14 nullified and voided. Upon such failure, any order or judgment entered by the Court in
15 furtherance of this Settlement Agreement shall be treated as void from the beginning, and the
16 Stipulations and Recitals contained herein shall be of no force or effect and shall not be treated as
17 an admission by the Parties or their counsel. In such a case, the Parties and any funds to be
18 awarded under this Settlement Agreement shall be returned to their respective statuses as of the
19 date and time immediately prior to the execution of this Settlement Agreement, and the Parties
20 shall proceed in all respects as if this Settlement Agreement had not been executed, except that
21 any fees already incurred by the Settlement Administrator shall be paid equally by both Parties.

22 **XIII. Judgment and Continued Jurisdiction.**

23 29. The Court shall retain jurisdiction with respect to the interpretation,
24 implementation, and enforcement of the terms of this Settlement Agreement and all orders and
25 judgments entered in connection therewith, and the Parties and their counsel hereto submit to the
26 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement
27 embodied in this Settlement Agreement and all orders and judgments entered in connection
28 therewith.

1 **XIV. Other Provisions.**

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

5 31. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
6 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
7 agreements may be deemed binding on the Parties.

8 32. Amendment or Modification. This Settlement Agreement may be amended or
9 modified only by a written instrument signed by counsel for all Parties or their successors-in-
10 interest and approved by the Court.

11 33. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
12 and represent they are expressly authorized by the Parties whom they represent to negotiate this
13 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
14 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
15 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
16 counsel will cooperate with each other and use their best efforts to effect the implementation of the
17 Settlement. If the Parties are unable to reach agreement on the form or content of any document
18 needed to implement the Settlement, or on any supplemental provisions that may become
19 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the
20 mediator, Hon. Steven R. Denton (Ret.), to resolve such disagreement.

21 34. Binding on Successors and Assigns. This Settlement Agreement will be binding
22 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
23 defined.

24 35. California Law Governs. All terms of this Settlement Agreement and exhibits
25 hereto will be governed by and interpreted according to the laws of the State of California and any
26 applicable federal law without regard to choice of law rules or principles.

27 36. Execution and Counterparts. This Settlement Agreement is subject only to the
28 execution of all Parties. However, the Settlement Agreement may be executed in one or more

1 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
2 of the signature page, will be deemed to be one and the same instrument.

3 37. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
4 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
5 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
6 litigation, taking into account all relevant factors, present and potential. The Parties further
7 acknowledge that they are each represented by competent counsel and that they have had an
8 opportunity to consult with their counsel regarding the fairness and reasonableness of this
9 Settlement.

10 38. Invalidity of Any Provision. Before declaring any provision of this Settlement
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
12 extent possible consistent with applicable precedents so as to define all provisions of this
13 Settlement Agreement valid and enforceable.

14 39. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
15 class certification for purposes of this Settlement only; except, however, that either Party may
16 appeal any Court order that materially alters the Settlement Agreement's terms.

17 40. Class Action Certification for Settlement Purposes Only. The Parties agree to
18 stipulate to class certification only for purposes of the Settlement. If, for any reason, the
19 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
20 that certification for purposes of the Settlement is not an admission that class action certification is
21 proper under the standards applied to contested certification motions and that this Settlement
22 Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a
23 class action should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other
24 than according to the Settlement's terms.

25 41. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
26 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
27 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
28 specifically denies, it has violated any federal, state, or local law; violated any regulations or

1 guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
2 requirements; breached any contract; violated or breached any duty; engaged in any
3 misrepresentation or deception; or engaged in any other unlawful conduct with respect to their
4 employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
5 negotiations connected with it, shall be construed as an admission or concession by Defendant of
6 any such violations or failures to comply with any applicable law. Except as necessary in a
7 proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its
8 terms and provisions shall not be offered or received as evidence in any action or proceeding to
9 establish any liability or admission on the part of Defendant or to establish the existence of any
10 condition constituting a violation of, or a non-compliance with, federal, state, local or other
11 applicable law. If Final Approval does not occur, the Parties agree that this Settlement Agreement
12 is void, but remains protected by California Evidence Code Section 1152.

13 42. Captions. The captions and section numbers in this Settlement Agreement are
14 inserted for the reader's convenience, and in no way define, limit, construe or describe the scope
15 or intent of the provisions of this Settlement Agreement.

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

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

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

1 length negotiations between the Parties, all Parties have contributed to the preparation of this
2 Settlement Agreement.

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

8 47. All Terms Subject to Final Court Approval. All amounts and procedures described
9 in this Settlement Agreement herein will be subject to final Court approval.

10 48. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
11 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
12 this Settlement Agreement.

13 49. Confidentiality. Neither Plaintiffs nor Plaintiffs' Counsel shall issue any press
14 release or announcement of any kind related in any way to the Settlement. Plaintiffs and
15 Plaintiffs' Counsel agree that, prior to Preliminary Approval of the Settlement, they will keep the
16 terms of this Settlement confidential except for purposes of communicating with Plaintiffs only.
17 Plaintiffs shall be informed that the Settlement is confidential and shall be advised to keep the
18 Settlement confidential. From and after Preliminary Approval of the Settlement, the Class
19 Members (including Plaintiffs and Class Counsel) may: (1) as required by law; (2) as required
20 under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as
21 Class Counsel, comment regarding the specific terms of the Settlement. In all other cases,
22 Plaintiffs and Class Counsel agree to limit their statements regarding the terms of the Settlement,
23 whether oral, written or electronic (including the world wide web), to say the Class Action has
24 been resolved and that Plaintiffs and Class Counsel are satisfied with the Settlement terms. This
25 Settlement shall not be advertised or mentioned on any source, including Plaintiffs' Counsels'
26 personal or firm website. Nothing in this Section is intended to interfere with Class Counsel's
27 duties and obligations to faithfully discharge their duties as Class Counsel, including but not
28 limited to, communicating with Class Members regarding the Settlement.

1 50. Binding Agreement. The Parties warrant that they understand and have full
2 authority to enter into this Settlement, intend that this Settlement Agreement will be fully
3 enforceable and binding on all Parties, and agree that it will be admissible and subject to
4 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
5 provisions that otherwise might apply under federal or state law. Plaintiffs, and not their
6 respective representative(s), must personally execute this Settlement Agreement.

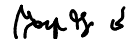
7
8 *The Settlement Agreement consists of 33 pages.*

9
10 Dated: Feb 25, 2023


Gabriel Mendez (Feb 25, 2023 15:26 PST)

Gabriel Mendez

11
12 Dated: Feb 24, 2023


George Gosch (Feb 24, 2023 16:26 PST)

George Gosch

13
14
15 Dated: Feb 24, 2023


John Dian (Feb 24, 2023 15:17 PST)

John Dian

16
17
18 Dated: Feb 24, 2023


Michael Knighton (Feb 24, 2023 16:24 PST)

Michael Knighton

19
20
21
22 **BONDZ, INC.**

23 Dated: _____

24
25 By: Clay Courts
26 Title: _____
27
28

1 50. Binding Agreement. The Parties warrant that they understand and have full
2 authority to enter into this Settlement, intend that this Settlement Agreement will be fully
3 enforceable and binding on all Parties, and agree that it will be admissible and subject to
4 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
5 provisions that otherwise might apply under federal or state law. Plaintiffs, and not their
6 respective representative(s), must personally execute this Settlement Agreement.

7
8 *The Settlement Agreement consists of 33 pages.*
9

10 Dated: _____

Gabriel Mendez

11
12
13 Dated: _____

George Gosch

14
15 Dated: _____

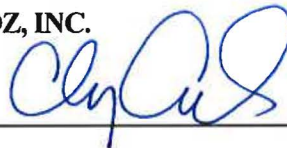
John Dian

16
17
18 Dated: _____

Michael Knighton

19
20
21
22
23 Dated: 2/28/23

BONDZ, INC.



By: Clay Courts

Title: Managing Partner

1 **APPROVED AS TO FORM**

2 Dated: February 24, 2023

3 ZAKAY LAW GROUP, APLC

4
5 By



SHANI ZAKAY

6
7 Attorneys for Plaintiffs
8 GABRIEL MENDEZ, GEORGE GOSCH, JOHN
9 DIAN, and MICHAEL KNIGHTON

10 Dated: February 24, 2023

11 JCL LAW FIRM APC

12 By



JEAN-CLAUDE LAPUYADE

13
14 Attorneys for Plaintiffs
15 GABRIEL MENDEZ, GEORGE GOSCH, JOHN
16 DIAN, and MICHAEL KNIGHTON

17 Dated: February 24, 2023

18 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

19
20 By



MORGAN FORSEY
LUCKY MEINZ
NORA STILESTEIN
Y. DOUGLAS YANG
PETER LEE

21
22 Attorneys for Defendant
23 BONDZ, INC.
24
25
26
27
28

EXHIBIT 1

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

(Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court Case No. STK-CV-UOE-2020-0007486)

**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 Class Settlement Share is: \$<<[REDACTED]>>. See the explanation below. Your estimated PAGA 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 Released Parties 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 not receive your Class Settlement Share, but you will still receive your PAGA Settlement Share because you cannot opt out from a PAGA 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 San Joaquin (the “Court”) has been reached between Plaintiffs GABRIEL MENDEZ, GEORGE GOSCH, JOHN DIAN, MICHAEL KNIGHTON (collectively, “Plaintiffs”) and Defendant BONDZ, INC. (“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 individuals who are or were employed by Defendant as truck driver employees in California at any time during the Class Period.

The “Class Period” is September 9, 2016 through November 9, 2020.

This Class Notice explains the lawsuit, the Settlement, and your rights as they pertain to the Settlement. 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 July 1, 2020, this class action lawsuit was initiated by Gabriel Mendez, a former employee of Defendant. The operative complaint is the Second Amended Complaint, which was filed on February 8, 2023. The Second Amended Complaint alleges that Defendant: (a) Engaged in unfair competition in violation of 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 provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (d) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (f) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; (g) Failed to pay vacation wages due; (h) Made unlawful deductions; and (i) Violated the Private Attorneys General Act (“PAGA”) at Labor Code § 2698, *et seq.*

Defendant denies all of the claims and allegations in the Lawsuit and maintains that it has complied with all wage and hour laws. The Court has not ruled on the merits of Plaintiffs’ claims and allegations, has not determined whether Defendant violated any laws, and has not determined whether Plaintiffs or any other Class Members are entitled to any money or other relief.

On October 6, 2022, the Parties participated in an all-day mediation with Hon. Judge Steven Denton (Ret.), an experienced mediator of class and PAGA actions, which resulted in the Parties’ agreement to settlement terms. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, 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 amount totaling One Hundred Eighty Thousand Dollars (\$180,000.00) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all individual settlement payments to Settlement Class Members, Class Counsel’s attorneys’ fees and costs, Claims Administration Expenses, the PAGA Payment, and the Service Awards to the Plaintiffs.

After the Court enters final judgment and approves of the Settlement, Defendant will pay the Gross Settlement Amount to the Settlement Administrator.

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 Expenses. Payment to the Settlement Administrator, estimated not to exceed \$4,500.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Attorneys’ Fees and Costs. Payment to Class Counsel of an award for attorneys’ fees of no more than 1/3 of the Gross Settlement Amount (currently \$60,000.00) and expenses of not more than \$15,000.00 for all costs incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Lawsuit on behalf of Plaintiffs 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.

- Service Award. Class Representative Service Payment of up to \$10,000.00 to lead plaintiff George Mendez and \$5,000.00 each to co-lead plaintiffs George Gosch, John Dian and Michael Knighton, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook.
- PAGA Payment. A payment of \$5,000.00 relating to Plaintiffs' claim under PAGA, \$3,750.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA"), and the remaining \$1,250.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- Calculation of Individual Payments to Class Members. After all the above payments of the court-approved Class Counsel's attorneys' fees and costs, the Service Award, the PAGA Payment, and the Claims Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," will be distributed to eligible Class members who do **not** request exclusion ("Settlement Class Members"). The 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 PAGA Settlement Members. The Net PAGA Amount will be distributed to PAGA Settlement_Members irrespective of whether they exclude themselves or opt out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Settlement_Members during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Settlement Member during the PAGA Period. "PAGA Settlement_Members" 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 from July 1, 2019 to November 9, 2020.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share 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 insure you receive your payment.

Tax Matters. 20% of each individual payment to Settlement Class Members is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. 80% of each individual payment to Settlement Class Members is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the individual payments paid to PAGA Settlement_Members, and each PAGA Settlement_Member will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in the Settlement or this Notice 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. The Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering final judgment.

4. What do I release under the Settlement?

Release by Settlement Class Members. Unless you exclude yourself from the Settlement, upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, you will be deemed to fully and

finally release Defendant and each of its past, present and future agents, employees, clients, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies, common law employers, potential and alleged common law employers, dual employers, co-employers, potential and alleged coemployers, contractors, affiliates, service providers, alter-egos, potential and alleged alteregos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries parents, subsidiaries, other service providers, and assigns (collectively, the “Released Parties”) from any and all claims and liability theories asserted in the Lawsuit, as amended during the Class Period (September 9, 2016 through November 9, 2020), and/or arising from or related to the facts and claims alleged in the Lawsuit during the Class Period, including, but not limited to: all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to reimburse business expenses; wage statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages; unfair business practices related to the aforementioned alleged violations of law and the claims asserted in the lawsuit; penalties, including wage statement penalties, minimum wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys’ fees and costs; all claims related to the aforementioned alleged violations of law and claims in the lawsuit arising under: the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200, et seq.; the Fair Labor Standards Act (“FLSA”), 29 U.S.C. § 201 et seq.; and federal common law. This release excludes the release of claims not permitted by law.

Release by the PAGA Settlement Members. Separately, PAGA Settlement Members will release the Released Parties from all claims for civil penalties under PAGA asserted in the Lawsuit, as amended, and/or arising from or related to the facts and claims alleged in the Lawsuit, as amended, or the July 1, 2020 PAGA letter sent to the LWDA, or that could have been raised in the Lawsuit, as amended, or the July 1, 2020 PAGA letter sent to the LWDA based on the facts and claims alleged (collectively, the “Released PAGA Claims”). The Released PAGA Claims include all claims for civil penalties under PAGA arising from or related to unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to reimburse business expenses; wage statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages; failure to pay all wages due at the end of the employment relationship; non-compliant wage statements; and attorneys’ fees and costs; all claims for civil penalties under PAGA related to the PAGA Released Claims arising under the Wage Orders of the California Industrial Welfare Commission. This release excludes the release of claims not permitted by law.

PAGA Settlement Members cannot exclude themselves from the PAGA Settlement. If you are a PAGA Settlement Member, you will release the Released PAGA Claims and will receive your share of the PAGA Settlement regardless of whether you request to be excluded from the Settlement.

5. How much will my payment be?

Defendant’s records reflect that you have <<____>> Workweeks worked during the Class Period (September 9, 2016 through November 9, 2020).

Based on this information, your estimated Class Settlement Share is << _____ >>.

Defendant's records reflect that you have << _____ >> pay periods worked during the PAGA Period (July 1, 2019 to November 9, 2020).

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.; 1-888-250-6810; <https://ilymgroup.com/contact-us>.

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 <https://ilymgroup.com/>

7. What if I do not want to be a part of the Class 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 NOT receive a Class Settlement Share, and you will not be bound by the Settlement's terms, except as provided as follows.** Regardless 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 your PAGA Payment Share.

To opt out from the Class Settlement, you must submit a written request to exclude yourself to the Settlement Administrator, by First Class Mail, signed, dated and postmarked no later than [DATE]. The address for the Settlement Administrator is ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780. 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 and must indicate, in substance, that you wish to exclude yourself from the settlement. 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 *Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486*. 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
E-Mail: jlapuyade@jcl-lawfirm.com

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
Email: shani@zakaylaw.com
[Website: www.zakaylaw.com](http://www.zakaylaw.com)

Counsel for Defendant:

Nora K. Stilestein, Esq.
Sheppard, Mullin, Richter &
Hampton, LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071-1422
Telephone: 213.620.1780
Facsimile: 213.620.1398
E mail: nstilestein@sheppardmullin.com

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 San Joaquin County Superior Court, Department 10A, located at 180 E Weber Ave, Stockton, CA 95202, before Judge George J. Abdallah. 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 *Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486*, 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 CONTACT THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In the event a check issued by the Settlement Administrator has not been cashed within one hundred and eighty (180) days, the Settlement Administrator will pay all funds from such uncashed checks to State Controller's Office. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

MAR 23 2023

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo-Johnson (State Bar #343881)
Monnett De La Torre (State Bar #272884)
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ZAKAY LAW GROUP, APLC

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Jackland K. Horn (State Bar #327243)
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jackland@zakaylaw.com
juliann@zakaylaw.com

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN JOAQUIN

GABRIEL MENDEZ, GEORGE GOSCH,
JOHN DIAN, MICHAEL KNIGHTON,
individuals, on behalf of themselves and on
behalf of all person similarly situated,

Plaintiffs,

vs.

BONDZ, INC., a California Corporation;
and DOES 1-50, Inclusive,

Defendants

Filed 2 APR 27 2023

BRANDON E. RILEY, CLERK

By

Giechty

DEPUTY

Case No. STK-CV-UOE-2020-0007486

~~[PROPOSED]~~ ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT

Hearing Date:

Hearing Time: 9:00 a.m.

Judge: Hon. George J. Abdallah
Dept.: 10A

1 This matter having come before the Honorable Judge _____ of the Superior Court
2 of the State of California, in and for the County of San Joaquin, at __ a.m. on _____ 2023,
3 with Jean-Claude Lapuyade, Esq., of the JCL Law Firm, APC and Shani O. Zakay, Esq. of the Zakay
4 Law Group, APLC as counsel for plaintiffs GABRIEL MENDEZ, GEORGE GOSCH, JOHN DIAN,
5 and MICHAEL KNIGHTON ("Plaintiffs"), and Sheppard Mullin, appearing for Defendant BONDZ
6 INC. (hereinafter "Defendant"). The Court, having carefully considered the briefs, argument of counsel
7 and all the matters presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs'
8 Motion for Preliminary Approval of Class Action Settlement.

9 **IT IS HEREBY ORDERED:**

10 1. The Court preliminarily approves the Stipulation of Settlement of Class and PAGA
11 Action Claims and Release of Claims ("Settlement Agreement" or "Agreement"), a true and correct
12 copy of which is attached hereto as **Exhibit "1"**. This is based on the Court's determination that the
13 Settlement Agreement is within the range of possible final approval, pursuant to the provisions of
14 Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

15 2. This Order incorporates by reference the definitions in the Agreement, and all terms
16 defined therein shall have the same meaning in this Order as set forth in the Agreement.

17 3. Subject to the terms of the Settlement Agreement, the Gross Settlement Amount that
18 Defendant shall pay is One Hundred Eighty Thousand Dollars (\$180,000.00). It appears to the Court
19 on a preliminary basis that the settlement amount and terms are fair, adequate, and reasonable as to all
20 Class Members when balanced against the probable outcome of further litigation relating to
21 certification, liability, and damages issues. It further appears that investigation and research have been
22 conducted such that counsel for the Parties are able to reasonably evaluate their respective positions. It
23 further appears to the Court that settlement at this time will avoid substantial additional costs by all
24 Parties, as well as avoid the delay and risks that would be presented by the further prosecution of the
25 litigation. It further appears that the Settlement has been reached as the result of intensive, serious, and
26 non-collusive arms-length negotiations.

27 4. The Court preliminarily finds that the Settlement appears to be within the range of
28

1 reasonableness of a settlement that could ultimately be given final approval by this Court. The Court
2 has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily
3 finds that the monetary settlement awards made available to the Class Members are fair, adequate, and
4 reasonable when balanced against the probable outcome of further litigation relating to certification,
5 liability, and damages issues.

6 5. Plaintiffs seek a Class Counsel Award in the amount of up-to one-third of the Gross
7 Settlement Amount, currently estimated at Sixty Thousand Dollars and Zero Cents (\$60,000.00), plus
8 reimbursement of actually incurred litigation cost in an amount of up to Fifteen Thousand Dollars
9 (\$15,000), and proposed Class Representative Service Awards to the Class Representatives as follows:
10 \$10,000 for Plaintiff Gabriel Mendez and \$5,000 to Plaintiffs George Gosch, John Dian, and Michael
11 Knighton. While these awards appear to be within the range of reasonableness, the Court will not
12 approve the Class Counsel Award or the Class Representative Service Award until the Final Approval
13 Hearing.

14 6. The Court recognizes that Plaintiffs and Defendant stipulate and agree to certification of
15 a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other
16 proceeding should this Settlement not become final. For settlement purposes only, the Court
17 conditionally certifies the following Class:

18 All individuals who are or were employed by Defendant as truck driver
19 employees in California at any time during the Class Period. The Class
20 Period is September 9, 2016 through November 9, 2020.

21 7. The Court concludes that, for settlement purposes only, the Class meets the requirements
22 for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is
23 ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b)
24 common questions of law and fact predominate, and there is a well-defined community of interest
25 amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the
26 Class Representatives are typical of the claims of the Class Members; (d) the Class Representatives
27 will fairly and adequately protect the interests of the Class Members; (e) a class action is superior to

1 other available methods for the efficient adjudication of this controversy; and (f) Class Counsel are
2 qualified to act as counsel for the Class Representatives in their individual capacity and as the
3 representative of the Class Members.

4 8. The Court provisionally appoints plaintiff GABRIEL MENDEZ, GEORGE GOSCH,
5 JOHN DIAN, and MICHAEL KNIGHTON as the representatives of the Class.

6 9. The Court provisionally appoints Jean-Claude Lapuyade, Esq., of the JCL Law Firm,
7 APC, and Shani Zakay, of the Zakay Law Group, APLC, as Class Counsel for the Class Members.

8 10. The Court hereby approves, as to form and content, the Proposed Class Notice ("Class
9 Notice") attached to the Agreement as **Exhibit "A"**. The Court finds that the notice appears to fully
10 and accurately inform the Class Members and Aggrieved Employees of all material elements of the
11 proposed Settlement, including the right of any Class Member to be excluded from the Class by
12 submitting a written request for exclusion, and of each Class Member's right and opportunity to object
13 to the Settlement. The Court further finds that the distribution of the notices substantially in the manner
14 and form set forth in the Agreement and this Order meets the requirements of due process, is the most
15 reasonable notice under the circumstances, and shall constitute due and sufficient notice to all persons
16 entitled thereto. The Court orders the mailing of the notices by first class mail, pursuant to the terms
17 set forth in the Agreement.

18 11. The Court hereby appoints ILYM Group, Inc., as Settlement Administrator. Within thirty
19 (30) days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator
20 with the Class Data, including information regarding Class Members that Defendant will in good faith
21 compile from its records, including each Class Member's full name; last known mailing address; Social
22 Security Number; and number of Class Period Workweeks and PAGA Pay Periods. No later than
23 fourteen (14) calendar days after receiving the Class Data from Defendant, the Settlement
24 Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S.
25 Mail.

26 12. The Court hereby preliminarily approves the proposed procedure for exclusion from the
27 Settlement. Any Class Member may individually choose to opt out of and be excluded from the

1 Settlement as provided in the Notice by following the instructions for requesting exclusion from the
2 Settlement of the Released Class Claims that are set forth in the Notice. All requests for exclusion must
3 be postmarked or received by the Response Deadline which is forty-five (45) calendar days after the
4 Settlement Administrator mails the Notice Packets to Class Members or, in the case of re-mailed
5 Notice, not more than fifteen (15) days from the original Response Deadline. Any such person who
6 chooses to opt out of and be excluded from the Settlement will not be entitled to an Individual
7 Settlement Payment under the Settlement and will not be bound by the Settlement, or have any right to
8 object, appeal or comment thereon. Class Members who have not requested exclusion shall be bound
9 by all determinations of the Court, the Agreement, and Judgment.

10 13. Any Class Member who has not opted out may appear at the final approval hearing and
11 may object or express the Class Member's views regarding the Settlement and may present evidence
12 and file briefs or other papers that may be proper and relevant to the issues to be heard and determined
13 by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the
14 date the Settlement Administrator mails the Class Notice to postmark their written objections to the
15 Settlement Administrator.

16 14. A final approval hearing shall be held before this Court on Sept. 14, 2023 at
17 9:00 AM/PM in Department 10A of the San Joaquin County Superior Court to determine all
18 necessary matters concerning the Settlement, including: whether the proposed settlement of the Action
19 on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should
20 be finally approved by the Court; whether an Order Granting Final Approval should be entered herein;
21 whether the plan of allocation contained in the Agreement should be approved as fair, adequate and
22 reasonable to the Class; and to finally approve the Class Counsel Award, Class Representative Service
23 Award, and the Settlement Administration Costs. All papers in support of the motion for final approval
24 and the Motion for Class Counsel Award and Class Representative Service Award shall be filed with
25 the Court and served on all counsel within twenty-eight (28) days following the expiration of the
26 Response Deadline.

27 15. In the event the Settlement does not become effective in accordance with the terms of the
28

1 Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become
2 effective for any reason, this Settlement Agreement shall be rendered null and void and shall be vacated,
3 and the Parties shall revert to their respective positions as of before entering into the Agreement. In
4 such an event, the Court's orders regarding the Settlement, including this Preliminary Approval Order,
5 shall not be used or referred to in litigation for any purpose. Nothing in this paragraph is intended to
6 alter the terms of the Settlement Agreement with respect to the effect of the Settlement Agreement if it
7 is not approved.

8 16. The Court reserves the right to adjourn or continue the date of the final approval hearing
9 and all dates provided for in the Agreement without further notice to Class Members and retains
10 jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.
11
12

13
14 Dated:

April 27, 2023

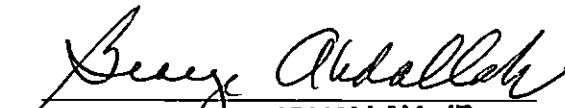

GEORGE J. ABDALLAH, JR
JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

1 **JCL LAW FIRM, APC**

Jean-Claude Lapuyade (State Bar #248676)

2 Monnett De La Torre (State Bar #272884)

3 5440 Morehouse Drive, Suite 3600

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4 Telephone: (619) 599-8292

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6 **ZAKAY LAW GROUP, APLC**

7 Shani O. Zakay (State Bar #277924)

8 Jackland K. Hom (State Bar #327243)

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shani@zakaylaw.com

11 jackland@zakaylaw.com

12 Attorneys for Plaintiffs

13 GABRIEL MENDEZ, GEORGE GOSCH,

JOHN DIAN and MICHAEL KNIGHTON

14 (Defense counsel listed on next page)

15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

16 **FOR THE COUNTY OF SAN JOAQUIN**

17 GABRIEL MENDEZ, an individual, on behalf
18 of herself and on behalf of all persons similarly
19 situated,

20 Plaintiff,

21 v.

22 BONDZ, INC., a California Corporation; and
DOES 1-50, Inclusive,

23 Defendants.

Case No.: STK-CV-UOE-2020-0007486

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

Assigned to: Hon. George J. Abdallah
Dept. 10A

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

A Limited Liability Partnership

2 Including Professional Corporations

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15 Attorneys for Defendant

16 BONDZ, INC.

17

18

19

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25

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1 Subject to final approval by the Court, which counsel and the Parties agree to pursue and
2 recommend in good faith, Plaintiffs Gabriel Mendez, George Gosch, John Dian, and Michael
3 Knighton (collectively, "Plaintiffs"), individually and on behalf of all others similarly situated and
4 allegedly aggrieved employees, on the one hand, and Defendant Bondz, Inc. ("Defendant"), on the
5 other hand (together, the "Parties" and individually, a "Party"), hereby agree to the following
6 binding settlement of the class and representative action designated Gabriel Mendez v. Bondz,
7 Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486 (the "Action"),
8 pursuant to the terms and conditions set forth below (the "Settlement," "Settlement Agreement,"
9 or "Agreement"). Upon the Effective Date, and the payment by Defendant of all monies due
10 under the Agreement, the Parties shall file a Proposed Final Judgment with the Motion for Final
11 Approval.

12 **I. Definitions.**

13 The following definitions are applicable to this Settlement Agreement. Definitions
14 contained elsewhere in this Settlement Agreement will also be effective:

15 **A. "Action"**

16 The case entitled, Gabriel Mendez v. Bondz, Inc., San Joaquin County Superior
17 Court, Case No. STK-CV-UOE-2020-0007486.

18 **B. "Attorneys' Fees and Costs"**

19 The attorneys' fees and costs approved by the Court for Class Counsel's litigation
20 and resolution of the Action. Class Counsel will request attorneys' fees not to exceed one-third
21 (1/3) of the Class Settlement Amount of \$180,000.00 (currently \$60,000.00). Attorneys' fees will
22 be divided between Class Counsel as follows: 50% to Zakay Law Group, APLC, and 50% to the
23 JCL Law Firm, APC. Class Counsel will also seek reimbursement of costs, in an amount not to
24 exceed \$15,000.00. The attorneys' fees and costs awarded are subject to the Court's approval.
25 Should the Court not approve the requested Attorneys' Fees and Costs award(s), this Settlement
26 Agreement shall remain valid and binding and any difference between the requested Attorneys'
27 Fees and Costs award(s) and the actual award(s) shall be allocated to the Net Settlement Amount.
28 Defendant has agreed not to oppose Class Counsel's request for attorneys' fees and reimbursement

of costs and expenses as set forth above. All Attorneys' Fees and Costs shall be paid from the Class Settlement Amount. No counsel shall be entitled to any amount of attorneys' fees or costs for work performed in the Action other than as provided in this Settlement Agreement. This Settlement Agreement is the exclusive means for recovery of attorneys' fees and costs incurred in the Action by any attorney, law firm, and/or other legal services provider. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs detailed in this Section. Class Counsel shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section. This Settlement Agreement is the exclusive means to recover attorney's fees and costs incurred in the Action by any Party.

C. "Class Counsel"

Shani Zakay of Zakay Law Group, APC, and Jean-Claude Lapuyade of JCL Law Firm, APC shall be appointed Class Counsel upon approval by the Court.

D. "Class List"

A complete list of all Class Members (as that term is defined below) and PAGA Settlement Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's full name, last known mailing address, last known telephone number, Social Security number, dates of employment (*i.e.*, hire date and termination date), and any other relevant information needed to calculate settlement payments.

E. "Class Member(s)" or "Settlement Class"

Class Members or the Settlement Class consist of all individuals who are or were employed by Defendant as truck driver employees in California at any time during the Class Period. Defendant represents that there are approximately 5,674 workweeks during the time period of September 9, 2016 through November 9, 2020. If the actual number of workweeks during the Class Period increases by more than ten percent (10%) (*i.e.*, if the total number of workweeks exceeds 6,241) at the date of Preliminary Approval, then the Class Settlement Amount will increase proportionately over the 10% grace threshold (*i.e.*, meaning if the total number of

1 weeks worked through November 9, 2020 increases by 11%, the Class Settlement Amount will
2 increase by 1%).

3 **F. "Class Period"**

4 The Class Period is defined to mean the period from September 9, 2016 through
5 November 9, 2020.

6 **G. "Class Representative Enhancement Payments"**

7 The amounts to be paid to Plaintiffs in recognition of their effort and work in
8 prosecuting the Action on behalf of Class Members and for their general release of claims.
9 Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiffs will request
10 Court approval of a Class Representative Enhancement Payments in the amount of \$10,000.00 to
11 plaintiff Gabriel Mendez and \$5,000.00 each to plaintiffs George Gosch, John Dian, and Michael
12 Knighton. Should the Court not approve the requested Class Representative Enhancement
13 Payment(s), this Settlement Agreement shall remain valid and binding and any difference between
14 the requested Class Representative Enhancement Payment(s) and the actual award(s) shall be
15 allocated to the Net Settlement Amount. The Settlement Administrator will issue an IRS Form
16 1099 to Plaintiffs in connection with their Class Representative Enhancement Payments. Plaintiffs
17 shall be solely and legally responsible for paying any and all applicable taxes on this payment and
18 shall indemnify, defend, and hold harmless the Released Parties from any claim or liability for
19 taxes, penalties, or interest arising as a result of the Class Representative Enhancement Payments.
20 The Class Representative Enhancement Payments will be paid from the Class Settlement Amount,
21 will be in addition to Plaintiffs' Individual Settlement Payments, and are conditioned on the
22 execution of a stand-alone settlement agreement and general release of claims. Defendant makes
23 no representations as to the tax treatment or legal effect of the payment called for herein, and
24 Plaintiffs are not relying on any statement or representation by Defendant or its counsel in this
25 regard.

26 **H. "Class Settlement Amount"**

27 The total sum of \$180,000.00. All payments associated with the Settlement shall
28 be paid from the Class Settlement Amount. The Class Settlement Amount includes all Individual

1 Settlement Payments to Class Members, Individual PAGA Payments, Class Representative
2 Enhancement Payments, Settlement Administration Costs, LWDA Payment, and Attorneys' Fees
3 and Costs. Employer-owed taxes on the wage portion of the Settlement shall be funded by
4 Defendant separately from and in addition to the Class Settlement Amount, and calculated and
5 distributed by the Settlement Administrator.

6 **I. "Defendant"**

7 Defendant Bondz, Inc.

8 **J. "Effective Date"**

9 The date on which the Settlement is finally approved, and the Superior Court's
10 Final Judgment becomes final. For the purposes of this Section, the Final Judgment "becomes
11 final" upon the latter of: (1) if there are no objections or challenges to the Settlement, the date on
12 which Notice of Entry of Judgment is served; (2) if there are objections or challenges to the
13 Settlement, the latter of: (a) if no appeal is filed, the expiration date of the time for the filing or
14 noticing of any appeal from, or other challenge to, the Order Granting Final Approval; (b) the date
15 of affirmance of an appeal of the Order Granting Final Approval becomes final under the
16 California Rules of Court; or (c) the date of final dismissal of any appeal from the Order Granting
17 Final Approval or the final dismissal of any proceeding on review of any court of appeal decision
18 relating to the Order Granting Final Approval. In this regard, it is the intention of the Parties that
19 the Settlement shall not become final until the Court's order approving the Settlement is
20 completely final, the Court has entered an appropriate judgment, and there is no further recourse
21 by an appellant or objector, if any, who seeks to contest the Settlement.

22 **K. "Final Approval" or "Final Award"**

23 The Court entering an Order Granting Final Approval of the Settlement Agreement.

24 **L. "Individual PAGA Payment"**

25 Each PAGA Settlement Member's share of the LWDA Payment, which shall be
26 distributed based on the PAGA Settlement Members' share of pay periods worked during the
27 PAGA Period. One hundred percent (100%) of each PAGA Settlement Members' individual
28

1 payment amount shall constitute penalties (and each PAGA Settlement Class member will be
2 issued an IRS Form 1099 for such payment to him or her).

3 **M. "Individual Settlement Payment"**

4 Each Class Member's share of the Net Settlement Amount, which shall be
5 distributed to the Class Members, less employee portions of state and federal withholding taxes,
6 including the employee FICA, FUTA and SDI contributions and any other applicable payroll
7 deductions required by law as a result of the payment of the amount allocated to such Class
8 Member as set forth herein.

9 **N. "LWDA Notice"**

10 The Parties agree that Plaintiffs will submit Notice to the Labor and Workforce
11 Development Agency ("LWDA") of this Settlement along with a copy of this Settlement
12 Agreement concurrently when Plaintiffs file their Motion for Preliminary Approval of Class
13 Action Settlement, and will thereafter submit a copy of any judgment or any other order (e.g., the
14 Final Award) providing for an award of civil penalties in conformity with Labor Code Section
15 2699(l).

16 **O. "LWDA Payment"**

17 The amount that the Parties have agreed to pay to the LWDA in connection with
18 the PAGA claim. The Parties have agreed that \$5,000.00 of the Class Settlement Amount will be
19 allocated to the resolution of any Class Members' claims arising under the PAGA ("PAGA
20 Settlement Amount"). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or
21 \$3,750.00, will be payable to the LWDA, and the remaining twenty-five percent (25%), or
22 \$1,250.00, of the PAGA Settlement Amount will be payable to the PAGA Settlement Members.

23 **P. "Net Settlement Amount"**

24 The portion of the Class Settlement Amount remaining after deduction of the
25 approved Class Representative Enhancement Payments, Settlement Administration Costs, LWDA
26 Payment, and Attorneys' Fees and Costs.

1 **Q. “Notice of Objection”**

2 A Class Member’s valid and timely written objection to the Settlement Agreement.
3 For the Notice of Objection to be valid, it must include the objector’s full name, signature,
4 address, telephone number and a written statement of all grounds for the objection accompanied
5 by legal support, if any, for such objection. The Notice of Objection must be returned by mail or
6 faxed to the Settlement Administrator at the specified address or facsimile number and postmarked
7 or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation
8 will be the exclusive means to determine whether a Notice of Objection has been timely
9 submitted.

10 Class Members who fail to make objections in the manner specified above shall be
11 deemed to have waived any objections and shall be foreclosed from making any objection
12 (whether by appeal or otherwise) to the Settlement Agreement, unless the Court approves and/or
13 allows an in-person appearance at the final approval hearing to assert objections. Neither the
14 Parties nor their counsel will solicit or otherwise encourage Class Members to submit written
15 objections to the Settlement Agreement or appeal from the Final Award. Class Counsel will not
16 represent any Class Members with respect to any such objections to this Settlement. The
17 Settlement Administrator shall provide counsel for the Parties with complete copies of all
18 objections received, including the date of postmark or fax receipt confirmation for each objection,
19 within five (5) business days of receipt, and shall file any objections received with the Court.
20 Class Counsel will provide copies of any objections and supporting documents to the Court at
21 least sixteen (16) court days before the Final Approval Hearing.

22 **R. “Notice of Settlement”**

23 The document substantially in the form attached as Exhibit 1 that will be mailed to
24 last known addresses of Class Members and PAGA Settlement Members and which will provide
25 Class Members and PAGA Settlement Members with information regarding the Action and
26 information regarding the Settlement of the Action. The Parties agree that English notices will be
27 sufficient.

1 **S. “Notice Packet”**

2 The Notice of Settlement and Individual Settlement Payment calculations, to
3 include total workweeks worked information, a proposed version of which is attached hereto as
4 Exhibit 1.

5 **T. “PAGA Period”**

6 The period from July 1, 2019 through November 9, 2020.

7 **U. “PAGA Released Claims”**

8 All claims for civil penalties under PAGA asserted in the Action, as amended,
9 and/or arising from or related to the facts and claims alleged in the Action, as amended, or the July
10 1, 2020 PAGA letter sent to the LWDA, or that could have been raised in the Action, as amended,
11 or the July 1, 2020 PAGA letter sent to the LWDA based on the facts and claims alleged. The
12 PAGA Released Claims include all PAGA claims asserted in the Action, as amended, and/or
13 arising from or related to the facts and claims alleged in the Action, as amended. The Released
14 PAGA Claims include all claims for civil penalties under PAGA arising from or related to unpaid
15 wages, including, failure to pay minimum wages, straight time compensation, overtime
16 compensation, double-time compensation, and interest; the calculation of the regular rate of pay;
17 missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums;
18 failure to provide meal periods; failure to authorize and permit rest periods and/or recovery
19 periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for
20 all hours worked, including off-the-clock work; failure to reimburse business expenses; wage
21 statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages;
22 failure to pay all wages due at the end of the employment relationship; non-compliant wage
23 statements; and attorneys’ fees and costs; all claims for civil penalties under PAGA related to the
24 PAGA Released Claims arising under the Wage Orders of the California Industrial Welfare
25 Commission. This release excludes the release of claims not permitted by law.

26 **V. “PAGA Settlement Members”**

27 All individuals who were employed by Defendant as truck driver employees in
28 California at any time from July 1, 2019 through November 9, 2020.

1 **W. “Plaintiffs”**

2 Gabriel Mendez, George Gosch, John Dian, and Michael Knighton.

3 **X. “Plaintiffs’ Released Claims”**

4 Upon the Effective Date and funding of the Class Settlement Amount by
5 Defendant, and as a condition of receiving any portion of their Class Representative Enhancement
6 Payments, Plaintiffs, each in their individual capacity, shall fully and finally release the Released
7 Parties from any and all claims, known and unknown, under federal, state and/or local law, statute,
8 ordinance, regulation, common law, or other source of law, including but not limited to claims
9 arising from or related to their employment with Defendant and
10 their compensation while an employee of Defendant. Plaintiffs’ Released Claims include, but are
11 not limited to, all claims asserted in the Action, as amended, and/or arising from or related to the
12 Action, as amended, or the PAGA letter sent to the LWDA on Plaintiffs’ behalf. Plaintiffs’
13 Released Claims include all claims for unpaid wages, including, but not limited to, failure to pay
14 minimum wages, straight time compensation, overtime compensation, double-time compensation,
15 and interest; the calculation of the regular rate of pay; wages related to alleged illegal time
16 rounding; missed/short/late/interrupted meal period, rest period, and/or recovery period
17 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
18 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
19 premiums; reimbursement for all necessary business expenses; payment for all hours worked,
20 including off-the-clock work; failure to pay vacation wages; timely payment of wages due; wage
21 statements; unlawful deductions; failure to keep accurate records; unfair business practices;
22 penalties, including, but not limited to, recordkeeping penalties, wage statement penalties,
23 minimum-wage penalties, and waiting-time penalties; and attorneys’ fees and costs. Plaintiffs’
24 Released Claims include all claims arising under the California Labor Code (including, but not
25 limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5,
26 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511,
27 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198,
28 2802, 2698 et seq., 2699 et seq., and 2802); all claims arising under: the Wage Orders of the

1 California Industrial Welfare Commission; the California Private Attorneys General Act of 2004
2 ("PAGA"); California Business and Professions Code section 17200, et seq.; the California Civil
3 Code, to include but not limited to, sections 3287, 3336 and 3294; 12 CCR § 11040; 8 CCR §
4 11060; California Code of Civil Procedure § 1021.5; the California common law of contract; the
5 FLSA, 29 U.S.C. § 201, et seq.; federal common law; and the Employee Retirement Income
6 Security Act, 29 U.S.C. § 1001, et seq. ("ERISA"). Plaintiffs' Released Claims also include all
7 claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and
8 attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment,
9 retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C.
10 section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the
11 Age Discrimination in Employment Act, and the California Fair Employment and Housing Act;
12 and the law of contract and tort. This release excludes the release of claims not permitted by law.

13 Plaintiffs' Released Claims include all claims, whether known or unknown. Even if
14 Plaintiffs discover facts in addition to or different from those that they now know or believe to be
15 true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain
16 released and forever barred. Thus, Plaintiffs expressly waive and relinquish the provisions, rights
17 and benefits of section 1542 of the California Civil Code, which reads:

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

22 **Y. "Preliminary Approval"**

23 The Court's order granting preliminary approval of the Settlement Agreement.

24 **Z. "Qualified Settlement Account"**

25 The fund established by the Settlement Administrator pursuant to Internal Revenue
26 Code Section 1.468B-1, which will be funded by Defendant within 30 calendar days of the
27 Effective Date.

28

1 **AA. "Released Class Claims"**

2 As of the date of the Order Granting Final Approval and funding of the Class
3 Settlement Amount by Defendant, all Class Members who do not timely submit a valid Request
4 for Exclusion (as that term is defined below) shall fully and finally release Released Parties of the
5 Released Class Claims during the Class Period. The Released Class Claims include all claims and
6 liability theories asserted in the Action, as amended, and/or arising from or related to the facts and
7 claims alleged in the Action, as amended, or in the PAGA letter sent to the LWDA on Plaintiffs'
8 behalf, or that could have been raised in the Action, as amended, or in the July 1, 2020 PAGA
9 letter sent to the LWDA based on the facts and claims alleged. The Released Class Claims include
10 all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation,
11 overtime compensation, double-time compensation, and interest; the calculation of the regular rate
12 of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period
13 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
14 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
15 premiums; payment for all hours worked, including off-the-clock work; failure to reimburse
16 business expenses; wage statements; unlawful deductions; failure to pay all wages when due;
17 failure to pay vacation wages; unfair business practices related to the Released Class Claims;
18 penalties, including wage statement penalties, minimum wage penalties, and waiting-time
19 penalties; non-compliant wage statements; and attorneys' fees and costs; all claims related to the
20 Released Class Claims arising under: the Wage Orders of the California Industrial Welfare
21 Commission; California Business and Professions Code section 17200, et seq.; the Fair Labor
22 Standards Act ("FLSA"), 29 U.S.C. § 201 et seq.; and federal common law. This release excludes
23 the release of claims not permitted by law.

24 Upon entry of Judgment, Class Members are precluded from filing a wage and hour
25 action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of
26 action encompassed by the Released Class Claims, which are extinguished and precluded pursuant
27 to the holding in *Rangel v. PLS Check Cashers of Cal., Inc.*, 899 F.3d 1106 (9th Cir. 2018). The
28 following language will be printed on the reverse of each Settlement Payment Check, or words to

1 this effect: "By endorsing or otherwise negotiating this check, I acknowledge that I read,
2 understand, and agree to the terms set forth in the Notice of Class Action Settlement, and I consent
3 to join in the Fair Labor Standards Act ("FLSA") portion of Gabriel Mendez v. Bondz, Inc., San
4 Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486, elect to participate in the
5 settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the
6 Settlement."

7 **BB. "Released Parties"**

8 Defendant and each of its past, present and future agents, employees, clients,
9 servants, officers, directors, managing agents, members, owners (whether direct or indirect),
10 partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries,
11 equity sponsors, related companies/corporations and/or partnerships, divisions, assigns,
12 predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and
13 alleged joint employers, temporary staffing agencies, common law employers, potential and
14 alleged common law employers, dual employers, co-employers, potential and alleged co-
15 employers, contractors, affiliates, service providers, alter-egos, potential and alleged alteregos,
16 vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint
17 liability, and all of their respective past, present and future employees, directors, officers,
18 members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries,
19 parents, subsidiaries, other service providers, and assigns.

20 **CC. "Request for Exclusion"**

21 A notice submitted by a Class Member requesting to be excluded from the
22 Settlement. For the Request for Exclusion to be valid, it must include the Class Member's full
23 name, signature, address, telephone number and a written statement requesting to be excluded
24 from this Settlement. The Request for Exclusion must be returned by mail or fax to the Settlement
25 Administrator at the specified address or facsimile number and postmarked or faxed on or before
26 the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive
27 means to determine whether a Request for Exclusion has been timely submitted. A Class Member
28 who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed

1 a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is
2 granted Final Approval by the Court. PAGA Settlement Members, regardless of whether they
3 submit a Request for Exclusion, will release the PAGA Released Claims for the PAGA Period.

4 **DD. "Response Deadline"**

5 The deadline by which Class Members must mail or fax to the Settlement
6 Administrator valid Requests for Exclusion, Notices of Objection to the Settlement, or workweek
7 disputes. The Response Deadline will be forty-five (45) calendar days from the initial mailing of
8 the Notice Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal
9 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
10 Postal Service is open. The Response Deadline for Requests for Exclusion, Notices of Objection,
11 or workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-
12 mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or
13 Federal holiday, in which case the Response Deadline will be extended to the next day on which
14 the U.S. Postal Service is open. The Response Deadline may also be extended by express
15 agreement between Class Counsel and Defendant. Under no circumstances, however, will the
16 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members
17 to submit a Request for Exclusion, Notice of Objection to the Settlement, or workweek disputes.

18 **EE. "Settlement Administrator"**

19 ILYM Group, Inc shall be the third-party class action settlement administrator as
20 agreed to by the Parties and approved by the Court for the purposes of administering this
21 Settlement. The Parties each represent that they do not have any financial interest in the
22 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
23 could create a conflict of interest.

24 **FF. "Settlement Administration Costs"**

25 The costs payable from the Class Settlement Amount to the Settlement
26 Administrator for administering this Settlement, including, but not limited to, printing,
27 distributing, and tracking documents for this Settlement, calculating estimated amounts per Class
28 Member, tax reporting, distributing the Class Settlement Amount, and providing necessary reports

1 and declarations, and other duties and responsibilities set forth herein to process this Settlement
2 Agreement, and as requested by the Parties. The Settlement Administration Costs will be paid
3 from the Class Settlement Amount, including, if necessary, any such costs in excess of the amount
4 represented by the Settlement Administrator as being the maximum costs necessary to administer
5 the Settlement, which are anticipated to be no greater than \$4,500. To the extent actual Settlement
6 Administration Costs are greater than \$4,500, such excess amount will be deducted from the Class
7 Settlement Amount, subject to the Court's approval.

8 **GG. "Second Amended Complaint"**

9 The Second Amended Complaint filed on February 8, 2023.

10 **HH. "Settlement Payment Check"**

11 The payment to Class Members. The back of the Settlement Payment Check shall
12 state, immediately below the space where the check is to be endorsed by the payee: "By endorsing
13 or otherwise negotiating this check, I acknowledge that I read, understand, and agree to the terms
14 set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards
15 Act ("FLSA") portion of the Gabriel Mendez v. Bondz, Inc., San Joaquin County Superior Court,
16 Case No. STK-CV-UOE-2020-0007486, elect to participate in the settlement of the FLSA claims,
17 and agree to release all of my FLSA claims that are covered by the Settlement."

18 **II. Recitals.**

19 From the outset of litigation in this Action, the Parties conducted significant
20 investigation and discovery of the facts and law. Defendant produced documents pertaining to its
21 policies, practices, and procedures regarding, *inter alia*, payment of wages, reimbursement of
22 business expenses, paying truck drivers for all hours worked, meal and rest period policies,
23 overtime pay policies, vacation pay policies, and payroll and operational policies. Plaintiffs also
24 reviewed time records, pay records, and information relating to the size and scope of the
25 Settlement Class, as well as information permitting Plaintiffs to understand the number of
26 workweeks in the Class Period. The Parties agree that the above-described investigation and
27 evaluation, as well as the information exchanged during the settlement negotiations, are more than
28

1 sufficient to assess the merits of the respective Parties' positions and to compromise the issues on
2 a fair and equitable basis.

3 This Settlement is the culmination of longstanding efforts by the Parties to fully
4 evaluate the case and resolve the dispute. Since mid-2021, the Parties have engaged in back-and-
5 forth settlement negotiations. The Parties retained private mediator Tripper Ortman to facilitate
6 informal settlement negotiations. While these initial efforts were unsuccessful, the initial
7 settlement negotiations facilitated by Mr. Ortman enabled the Parties to assess the strengths and
8 weaknesses of their respective litigation positions in good faith. Subsequently, the Parties
9 engaged in a formal mediation before Hon. Steven R. Denton (Ret.) on October 6, 2022, which
10 was successful.

11 Plaintiffs and Class Counsel recognize the expense and length of continued
12 proceedings necessary to continue the litigation against Defendant through trial and through any
13 possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and
14 risk of further litigation, the potential outcome, and the difficulties and delays inherent in such
15 litigation. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in
16 this Settlement Agreement is a fair, adequate, and reasonable settlement, and is in the best interests
17 of the Class Members. Defendant recognizes that the defense of this litigation will be protracted
18 and expensive. Substantial amounts of time, energy, and resources of Defendant have been and,
19 unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by
20 Plaintiffs. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in
21 this Agreement to put to rest the Released Class Claims and PAGA Released Claims.

22 Defendant generally and specifically denies any and all liability or wrongdoing of
23 any sort with regard to any of the claims alleged, makes no concessions or admissions of liability
24 of any sort, and contends that for any purpose other than this Settlement, the Action is not
25 appropriate for class or representative treatment. Defendant asserts a number of defenses to the
26 claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or
27 conduct in the Action. Neither this Settlement Agreement, nor any document referred to or
28 contemplated herein, nor any action taken to carry out this Settlement Agreement, is or may be

1 construed as, or may be used as an admission, concession, or indication by or against Defendant or
2 any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the
3 Settlement Agreement be construed as an admission that Plaintiffs can serve as adequate Class
4 Representatives. There has been no determination by any court as to the merits of the claims
5 asserted by Plaintiffs against Defendant or as to whether a class or classes should be certified,
6 other than for settlement purposes only.

7 Plaintiffs assert that Defendant's defenses are without merit. Neither this
8 Settlement Agreement nor any documents referred to or contemplated herein, nor any action taken
9 to carry out this Settlement Agreement is, may be construed as, or may be used as an admission,
10 concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits
11 of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this
12 Settlement is finally approved by the Court, none of Plaintiffs, Class Members, or Class Counsel
13 will oppose Defendant's efforts to use this Settlement Agreement to prove that Plaintiffs, Class
14 Members, and PAGA Settlement Members have resolved and are forever barred from re-litigating
15 the Released Class Claims and PAGA Released Claims.

16 **III. Funding of the Class Settlement Amount.**

17 Within thirty (30) calendar days of the Effective Date of the Settlement, Defendant will
18 deposit the Class Settlement Amount into a Qualified Settlement Account to be established by the
19 Settlement Administrator. Within ten (10) calendar days of the full funding of the Settlement, the
20 Settlement Administrator will issue payments to: (a) Class Members; (b) the LWDA and PAGA
21 Settlement Members; (c) Plaintiffs; and (d) Class Counsel. The Settlement Administrator will also
22 issue a payment to itself for Court-approved services performed in connection with the Settlement.
23 Defendant has no obligation to deposit such funds prior to the deadlines set forth herein.

24 **IV. Individual Settlement Payment Calculations.**

25 1. Individual Settlement Payments will be calculated and apportioned from the Net
26 Settlement Amount based on the number of workweeks a Class Member worked in the Class
27 Period, and the pay periods worked by the PAGA Settlement Members during the PAGA Period.
28 Specific calculations of Individual Settlement Payments will be made as follows:

Class Members Who Are Not Also PAGA Settlement Members

1(a) The Settlement Administrator will calculate the total number of workweeks worked by each Class Member during the Class Period ("Individual Workweeks") as described above.

1(b) To determine each Class Member's Individual Settlement Payment, the Settlement Administrator will use the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Total Class Workweeks) × Net Settlement Amount.

Class Members Who Are Also PAGA Settlement Members

1(c) Where a Class Member is also a PAGA Settlement Member, the Settlement Administrator will also calculate the total number of pay periods worked by each PAGA Settlement Member during the PAGA Period as described above. Thus, a PAGA Settlement Member will receive an Individual PAGA Payment and an Individual Settlement Payment.

1(d) To determine each PAGA Settlement Member's Individual PAGA Payment, the Settlement Administrator will use the following formula: Individual Settlement Payment = (Individual Pay Periods ÷ Total PAGA Settlement Members Pay Periods) × 25 % of the LWDA Payment.

2. The Individual Settlement Payment will be reduced by any required deductions for each Class Member as set forth herein, including employee-side tax withholdings or deductions. Twenty percent (20%) of each Class Member's Individual Settlement Payment shall constitute payment in the form of wages (and each Class Member will be issued an IRS Form W-2 for such payment) and eighty percent (80%) of each Class Member's Individual Settlement Payment shall constitute penalties and interest (and each Class Member will be issued an IRS Form 1099 for such payment).

3. The Individual PAGA Payment will not be reduced by any deductions. One hundred percent (100%) of each PAGA Settlement Member's individual payment amount shall

1 constitute penalties (and each PAGA Settlement Class member will be issued an IRS Form 1099
2 for such payment).

3 4. The Individual Settlement Payments made to Class Members under this Settlement,
4 and any other payments made pursuant to this Settlement, will not be utilized to calculate any
5 additional benefits under any benefit plans to which any Class Members or PAGA Settlement
6 Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k)
7 plans, stock purchase plans, vacation plans, sick leave plans, paid time off plans, and any other
8 benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any
9 rights, contributions, or amounts to which any Class Members or PAGA Settlement Members
10 may be entitled under any benefit plans.

11 **V. Settlement Administration Process.**

12 5. The Parties agree to cooperate in the administration of the Settlement and to make
13 all reasonable efforts to control and minimize the costs and expenses incurred in administration of
14 the Settlement. The Settlement Administrator will provide the following services:

- 15 a. Establish and maintain a Qualified Settlement Account.
- 16 b. Calculate the Individual Settlement Payment each Class Member/PAGA
17 Settlement Member and is eligible to receive.
- 18 c. Print and mail the Notice Packet.
- 19 d. Establish and maintain a settlement administration website and toll-free
20 information telephone support line to assist Class Members/PAGA
21 Settlement Members who have questions regarding the Notice Packet.
- 22 e. Conduct additional address searches for mailed Notice Packets that are
23 returned as undeliverable.
- 24 f. Calculate Class Members' Individual Settlement Payments, calculate
25 PAGA Settlement Members' Individual PAGA Payments, field inquiries
26 from Class Members/PAGA Settlement Members, and process and
27 administer any Requests for Exclusion or Objections. This service will
28 include settlement proceed calculation, printing and issuance of Settlement

1 Payment Checks, and preparation of IRS W-2 and 1099 Tax Forms. Basic
2 accounting for and payment of employee tax withholdings and forwarding
3 all payroll taxes and penalties to the appropriate government authorities will
4 also be included as part of this service.

5 g. Issuing to Plaintiffs, Class Members, PAGA Settlement Members, and
6 Class Counsel any W-2, 1099, or other tax forms as may be required by law
7 for all amounts paid pursuant to this Settlement.

8 h. Provide declarations and/or other information to the Court as requested by
9 the Parties and/or the Court.

10 i. Provide weekly status reports to counsel for the Parties.

11 j. Send to the Controller of the State of California any monies remaining from
12 the Net Settlement Amount due to Class Members or PAGA Settlement
13 Members failing to negotiate Individual Settlement Payments within 180
14 days of distribution. Any monies remaining in the distribution account shall
15 be distributed to the Controller of the State of California to be held pursuant
16 to the Unclaimed Property Law, California Civil Code § 1500 *et seq.* for the
17 benefit of those Class Members or PAGA Settlement Members who did not
18 cash their checks until such time that they claim their property. This
19 disposition results in no "unpaid residue" under California Civil Procedure
20 Code § 384, as the entire Settlement Payment will be paid out to Class
21 Members or PAGA Settlement Members, whether or not they all cash their
22 Settlement Checks. Therefore, Defendant will not be required to pay any
23 interest on said amount.

24 6. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide
25 the Class List to the Settlement Administrator.

26 7. Within fourteen (14) calendar days after receiving the Class List from Defendant,
27 the Settlement Administrator will mail a Notice Packet to all Class Members and PAGA
28

1 Settlement Members via regular First-Class U.S. Mail, using the last known mailing addresses
2 identified in the Class List.

3 8. Prior to mailing, the Settlement Administrator will perform a search based on the
4 National Change of Address Database for information to update and correct any known or
5 identifiable address changes. Any Notice Packets returned to the Settlement Administrator as
6 non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class
7 U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate
8 the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the
9 Settlement Administrator will promptly attempt to determine the correct address using a skip-
10 trace, or other search using the name, address and/or Social Security number of the Class Member
11 or PAGA Settlement Member involved, and will then perform a single re-mailing. Those Class
12 Members or PAGA Settlement Members who receive a re-mailed Notice Packet, whether by skip-
13 trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b)
14 the Response Deadline to postmark or fax a Request for Exclusion, Notice of Objection to the
15 Settlement, or workweek dispute.

16 9. All Class Members will be mailed a Notice Packet containing the form attached as
17 Exhibit 1 as approved by the Court.

18 10. Class Members and PAGA Settlement Members will have an opportunity to
19 dispute the information provided in their Notice Packets. To the extent Class Members or PAGA
20 Settlement Members dispute the number of Individual Workweeks to which they have been
21 credited or the amount of their Individual Settlement Payment, Class Members may produce
22 evidence to the Settlement Administrator showing that such information is inaccurate. Absent
23 evidence rebutting Defendant's records, Defendant's records will be presumed determinative.
24 However, if a Class Member or PAGA Settlement Member produces evidence to the contrary, the
25 Settlement Administrator will evaluate the evidence submitted by the Class Member or PAGA
26 Settlement Member and will make the final decision as to the number of eligible Individual
27 Workweeks that should be applied and/or the Individual Settlement Payment to which the Class
28 Member or PAGA Settlement Member may be entitled. The workweek dispute must be returned

1 by mail or fax to the Settlement Administrator at the specified address or facsimile number and
2 postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt
3 confirmation will be the exclusive means to determine whether a workweek dispute has been
4 timely submitted. All such disputes are to be resolved not later than fourteen (14) calendar days
5 after the Response Deadline.

6 11. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
7 Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the
8 Settlement Administrator within the Response Deadline. The date of the postmark on the return
9 mailing envelope or the fax receipt confirmation will be the exclusive means to determine whether
10 a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted
11 to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's
12 Counsel the Requests for Exclusion that were timely submitted. Any Class Member who does not
13 timely seek exclusion will be bound by the terms of this Settlement Agreement. In addition,
14 PAGA Settlement Members, regardless of whether they opt-out of the Settlement Agreement, will
15 still release the PAGA Released Claims for the PAGA Period.

16 12. Objections. Class Members who do not submit a Request for Exclusion may object
17 to this Settlement as explained in the Notice Packet by filing a written objection with the
18 Settlement Administrator (who shall serve all objections as received on Class Counsel and
19 Defendant's counsel). To be valid, any objection must: (1) contain the objecting Class Member's
20 full name and current address, as well as contact information for any attorney representing the
21 objecting Class Member for purposes of the objection; (2) include all objections and the factual
22 and legal bases for same; (3) include any and all supporting papers, briefs, written evidence,
23 declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline.

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

1 defective and that the defect must be cured to render the workweek dispute, Objection or Request
2 for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or
3 (b) fifteen (15) calendar days from the date of the cure letter, whichever date is later, to postmark
4 or fax a revised workweek dispute, Objection or Request for Exclusion.

5 **VI. NULLIFICATION OF THE SETTLEMENT AGREEMENT.**

6 14. Defendant's Option to Nullify the Settlement Agreement. If more than eight
7 percent (8%) of the Class Members opt out of the Settlement (or are otherwise excluded),
8 Defendant, in its sole discretion, shall have the option of nullifying the Settlement Agreement. In
9 such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be
10 returned to their respective statuses as of the date and time immediately prior to the execution of
11 this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had
12 not been executed, except that any fees already incurred by the Settlement Administrator shall be
13 paid by Defendant.

14 15. Nullification of the Settlement Agreement. In the event: (i) the Court does not
15 enter the Preliminary Approval Order and approve the Class Released Claims specified herein;
16 (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendant exercises
17 its option to nullify the Settlement Agreement based on an excessive number of opt-outs, as
18 described in Section VI.14 above; or (iv) the Settlement does not become final for any other
19 reason (e.g., an objection by the LWDA), this Settlement Agreement shall be null and void. A
20 reduction of the Attorneys' Fees and Costs and/or any Class Representative Enhancement
21 Payment(s) shall not be grounds for nullification of this Settlement. Any order or judgment
22 entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the
23 beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and
24 shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and
25 any funds to be awarded under this Settlement Agreement shall be returned to their respective
26 statuses as of the date and time immediately prior to the execution of this Settlement Agreement,
27 and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed,
28

1 except that any fees already incurred by the Claims Administrator shall be paid by Defendant and
2 Plaintiffs on a 50/50 basis.

3 16. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class
4 Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely
5 and valid Request for Exclusion will be bound by all terms, conditions, and covenants of the
6 Settlement Agreement, including, but not limited to, those pertaining to the Released Class
7 Claims.

8 **VII. Certification Reports Regarding Individual Settlement Payment Calculations.**

9 17. The Settlement Administrator will provide Defendant's counsel and Class Counsel
10 a weekly report which certifies: (a) the number of Class Members who have submitted valid
11 Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of any
12 such objection; and (c) whether any Class Member or PAGA Settlement Member has submitted a
13 challenge to any information contained in his/her Notice Packet. Additionally, the Settlement
14 Administrator will provide to counsel for both Parties any updated reports regarding the
15 administration of the Settlement Agreement as needed or requested.

16 18. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
17 will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180)
18 calendar days from the date of mailing, the checks shall become null and void, and any monies
19 remaining in the distribution account shall be distributed to the Controller of the State of
20 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et*
21 *seq.*, for the benefit of those Class Members and PAGA Settlement Members who did not cash
22 their checks until such time that they claim their property. This disposition results in no "unpaid
23 residue" under California Civil Procedure Code § 384, as the entire Settlement Payment will be
24 paid out to Class Members, whether or not they all cash their Settlement Checks. Therefore,
25 Defendant will not be required to pay any interest on said amount.

26 19. Certification of Completion. Upon completion of administration of the Settlement,
27 the Settlement Administrator will provide a written declaration under oath to certify such
28 completion to the Court and counsel for all Parties.

1 **VIII. Tax Treatment of Individual Settlement Payments.**

2 All Individual Settlement Payments will be allocated as follows: twenty percent (20%) of
3 each Individual Settlement Payment will be allocated as wages and eighty percent (80%) will be
4 allocated as non-wages, including penalties and interest. The portion allocated to wages will be
5 reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on an IRS
6 Form-1099 by the Settlement Administrator. The Individual Settlement Payments will be reduced
7 by any required legal deductions for each Class Member. All standard employee payroll
8 deductions will be made for state and federal withholding taxes, including any other applicable
9 payroll deductions owed by the Class Members as a result of the Wage Component, resulting in a
10 net wage component. The Settlement Administrator will issue a check and W-2 Form to each
11 Class Member for the wage component.

12 The Settlement Administrator will issue a second check and IRS Form-1099 for the
13 remaining PAGA penalty and interest component. No withholding shall be made on the penalty
14 and interest portion of the Individual Settlement Payment. The Settlement Administrator shall be
15 responsible for issuing the payments and calculating and withholding all required state and federal
16 taxes. The Settlement Administrator shall determine the eligibility for, and the amounts of, any
17 Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not
18 resolved by the Settlement Administrator concerning the administration of the Settlement will be
19 resolved by the Court, under the laws of the State of California. Prior to any such involvement of
20 the Court, counsel for the Parties will confer in good faith to resolve the dispute without the
21 necessity of involving the Court.

22 **IX. Administration of Taxes by the Settlement Administrator.**

23 20. **Tax Liability.** Defendant makes no representation as to the tax treatment or legal
24 effect of the payments called for hereunder, and Plaintiffs and Class Members are not relying on
25 any statement, representation, or calculation by Defendant, Class Counsel or by the Settlement
26 Administrator in this regard. Plaintiffs and Class Members understand and agree they will be
27 solely responsible for the payment of their share of any taxes and penalties assessed on the
28 payments described herein.

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

26 **X. Release by Class Members**

27 22. No Prior Assignments. The Parties and their counsel represent, covenant, and
28 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to

1 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
2 action, cause of action or right herein released and discharged.

3 23. Class Release. It is the desire of Plaintiffs, Class Members, and Defendant to fully,
4 finally, and forever settle, compromise, and discharge the Released Class Claims. Upon the Final
5 Approval by the Court of this Settlement Agreement and funding in full of the Class Settlement
6 Amount by Defendant, and except as to such rights or claims as may be created by this Settlement
7 Agreement, all Class Members who do not exclude themselves by properly opting-out of the
8 Settlement shall fully release and discharge the Released Parties from any and all Released Class
9 Claims for the entire Class Period. This release shall be binding on all Class Members who have
10 not timely submitted a valid and complete Request for Exclusion, including each of their
11 respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs,
12 successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no
13 further or other liability or obligation to any Class Member with respect to the Released Class
14 Claims, except as expressly provided herein.

15 **XI. Preliminary Approval Hearing.**

16 24. Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of
17 the Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional
18 certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the
19 proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness
20 Hearing.

21 25. The Preliminary Approval Order will provide for the Notice Packet to be sent to all
22 Class Members as specified herein. In conjunction with the Preliminary Approval Hearing,
23 Plaintiffs will submit this Settlement Agreement and will include the proposed Notice Packet.
24 Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary
25 Approval, subject to review and comment by Defendant's counsel.

26 **XII. Final Settlement Approval Hearing and Entry of Judgment.**

27 26. Upon expiration of the Response Deadline, and with the Court's permission, a
28 Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of

1 the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement
2 Payments; (b) the LWDA Payment and PAGA Settlement Members; (c) the Attorneys' Fees and
3 Costs; (d) the Class Representative Enhancement Payments; and (e) all Settlement Administration
4 Costs.

5 27. The Final Approval/Settlement Fairness Hearing will be held no later than sixty
6 (60) calendar days after the Response Deadline, subject to the Court's availability. If the Court is
7 unable to hold the Final Approval/Settlement Fairness Hearing within sixty (60) calendar days
8 after the Response Deadline, Class Counsel will utilize its best efforts to obtain the earliest date
9 the Court has available for said hearing.

10 28. Class Counsel will be responsible for drafting all documents necessary to obtain
11 Final Approval, subject to review and comment by Defendant's counsel. Any failure by the Court
12 to fully and completely approve the Settlement Agreement will result in this Settlement
13 Agreement entered into by the Parties, and all obligations under this Settlement Agreement, being
14 nullified and voided. Upon such failure, any order or judgment entered by the Court in
15 furtherance of this Settlement Agreement shall be treated as void from the beginning, and the
16 Stipulations and Recitals contained herein shall be of no force or effect and shall not be treated as
17 an admission by the Parties or their counsel. In such a case, the Parties and any funds to be
18 awarded under this Settlement Agreement shall be returned to their respective statuses as of the
19 date and time immediately prior to the execution of this Settlement Agreement, and the Parties
20 shall proceed in all respects as if this Settlement Agreement had not been executed, except that
21 any fees already incurred by the Settlement Administrator shall be paid equally by both Parties.

22 **XIII. Judgment and Continued Jurisdiction.**

23 29. The Court shall retain jurisdiction with respect to the interpretation,
24 implementation, and enforcement of the terms of this Settlement Agreement and all orders and
25 judgments entered in connection therewith, and the Parties and their counsel hereto submit to the
26 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement
27 embodied in this Settlement Agreement and all orders and judgments entered in connection
28 therewith.

1 **XIV. Other Provisions.**

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

5 31. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute
6 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
7 agreements may be deemed binding on the Parties.

8 32. Amendment or Modification. This Settlement Agreement may be amended or
9 modified only by a written instrument signed by counsel for all Parties or their successors-in-
10 interest and approved by the Court.

11 33. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
12 and represent they are expressly authorized by the Parties whom they represent to negotiate this
13 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
14 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
15 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
16 counsel will cooperate with each other and use their best efforts to effect the implementation of the
17 Settlement. If the Parties are unable to reach agreement on the form or content of any document
18 needed to implement the Settlement, or on any supplemental provisions that may become
19 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the
20 mediator, Hon. Steven R. Denton (Ret.), to resolve such disagreement.

21 34. Binding on Successors and Assigns. This Settlement Agreement will be binding
22 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
23 defined.

24 35. California Law Governs. All terms of this Settlement Agreement and exhibits
25 hereto will be governed by and interpreted according to the laws of the State of California and any
26 applicable federal law without regard to choice of law rules or principles.

27 36. Execution and Counterparts. This Settlement Agreement is subject only to the
28 execution of all Parties. However, the Settlement Agreement may be executed in one or more

1 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
2 of the signature page, will be deemed to be one and the same instrument.

3 37. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
4 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
5 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
6 litigation, taking into account all relevant factors, present and potential. The Parties further
7 acknowledge that they are each represented by competent counsel and that they have had an
8 opportunity to consult with their counsel regarding the fairness and reasonableness of this
9 Settlement.

10 38. Invalidity of Any Provision. Before declaring any provision of this Settlement
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
12 extent possible consistent with applicable precedents so as to define all provisions of this
13 Settlement Agreement valid and enforceable.

14 39. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
15 class certification for purposes of this Settlement only; except, however, that either Party may
16 appeal any Court order that materially alters the Settlement Agreement's terms.

17 40. Class Action Certification for Settlement Purposes Only. The Parties agree to
18 stipulate to class certification only for purposes of the Settlement. If, for any reason, the
19 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
20 that certification for purposes of the Settlement is not an admission that class action certification is
21 proper under the standards applied to contested certification motions and that this Settlement
22 Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a
23 class action should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other
24 than according to the Settlement's terms.

25 41. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
26 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
27 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
28 specifically denies, it has violated any federal, state, or local law; violated any regulations or

1 guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal
2 requirements; breached any contract; violated or breached any duty; engaged in any
3 misrepresentation or deception; or engaged in any other unlawful conduct with respect to their
4 employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the
5 negotiations connected with it, shall be construed as an admission or concession by Defendant of
6 any such violations or failures to comply with any applicable law. Except as necessary in a
7 proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its
8 terms and provisions shall not be offered or received as evidence in any action or proceeding to
9 establish any liability or admission on the part of Defendant or to establish the existence of any
10 condition constituting a violation of, or a non-compliance with, federal, state, local or other
11 applicable law. If Final Approval does not occur, the Parties agree that this Settlement Agreement
12 is void, but remains protected by California Evidence Code Section 1152.

13 42. Captions. The captions and section numbers in this Settlement Agreement are
14 inserted for the reader's convenience, and in no way define, limit, construe or describe the scope
15 or intent of the provisions of this Settlement Agreement.

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

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

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

length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

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

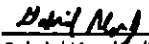
48. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

49. Confidentiality. Neither Plaintiffs nor Plaintiffs' Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiffs and Plaintiffs' Counsel agree that, prior to Preliminary Approval of the Settlement, they will keep the terms of this Settlement confidential except for purposes of communicating with Plaintiffs only. Plaintiffs shall be informed that the Settlement is confidential and shall be advised to keep the Settlement confidential. From and after Preliminary Approval of the Settlement, the Class Members (including Plaintiffs and Class Counsel) may: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as Class Counsel, comment regarding the specific terms of the Settlement. In all other cases, Plaintiffs and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written or electronic (including the world wide web), to say the Class Action has been resolved and that Plaintiffs and Class Counsel are satisfied with the Settlement terms. This Settlement shall not be advertised or mentioned on any source, including Plaintiffs' Counsels' personal or firm website. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to, communicating with Class Members regarding the Settlement.

1 50. Binding Agreement. The Parties warrant that they understand and have full
2 authority to enter into this Settlement, intend that this Settlement Agreement will be fully
3 enforceable and binding on all Parties, and agree that it will be admissible and subject to
4 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
5 provisions that otherwise might apply under federal or state law. Plaintiffs, and not their
6 respective representative(s), must personally execute this Settlement Agreement.

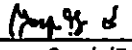
7
8 *The Settlement Agreement consists of 33 pages.*

9
10 Dated: Feb 25, 2023


Gabriel Mendez (Feb 25, 2023 15:26 PST)

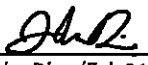
Gabriel Mendez

11
12 Dated: Feb 24, 2023


George Gosch (Feb 24, 2023 16:26 PST)

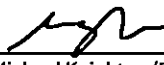
George Gosch

13
14
15 Dated: Feb 24, 2023


John Dian (Feb 24, 2023 15:17 PST)

John Dian

16
17
18 Dated: Feb 24, 2023


Michael Knighton (Feb 24, 2023 16:24 PST)

Michael Knighton

19
20
21 **BONDZ, INC.**

22
23 Dated: _____

24
25 By: Clay Courts
26 Title: _____

1 50. Binding Agreement: The Parties warrant that they understand and have full
2 authority to enter into this Settlement, intend that this Settlement Agreement will be fully
3 enforceable and binding on all Parties, and agree that it will be admissible and subject to
4 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
5 provisions that otherwise might apply under federal or state law. Plaintiffs, and not their
6 respective representative(s), must personally execute this Settlement Agreement.

7
8 *The Settlement Agreement consists of 33 pages.*

9
10 Dated: _____

Gabriel Mendez

11
12
13 Dated: _____

George Gosch

14
15 Dated: _____

John Dian

16
17
18 Dated: _____

Michael Knighton

19
20
21
22
23 Dated: 2/28/23

BONDZ, INC.



24
25 By: Clay Courts

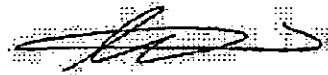
26 Title: Managing Partner

1 **APPROVED AS TO FORM**

2 Dated: February 24, 2023

3 ZAKAY LAW GROUP, APLC

4
5 By



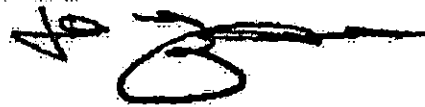
SHANI ZAKAY

6
7 Attorneys for Plaintiffs
8 GABRIEL MENDEZ, GEORGE GOSCH, JOHN
9 DIAN, and MICHAEL KNIGHTON

10 Dated: February 24, 2023

11 JCL LAW FIRM APC

12 By



JEAN-CLAUDE LAPUYADE

13
14 Attorneys for Plaintiffs
15 GABRIEL MENDEZ, GEORGE GOSCH, JOHN
16 DIAN, and MICHAEL KNIGHTON

17 Dated: February 24, 2023

18 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

19
20 By



21 MORGAN FORSEY
22 LUCKY MEINZ
23 NORA STILESTEIN
24 Y. DOUGLAS YANG
25 PETER LEE

26 Attorneys for Defendant
27 BONDZ, INC.
28

EXHIBIT A

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

(Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court Case No. STK-CV-UOE-2020-0007486)

**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 Class Settlement Share is: \$<<[]>>. See the explanation below. Your estimated PAGA Settlement Share is: \$<<[]>>. 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 Released Parties 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 not receive your Class Settlement Share, but you will still receive your PAGA Settlement Share because you cannot opt out from a PAGA 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.

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 San Joaquin (the "Court") has been reached between Plaintiffs GABRIEL MENDEZ, GEORGE GOSCH, JOHN DIAN, MICHAEL KNIGHTON (collectively, "Plaintiffs") and Defendant BONDZ, INC. ("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 individuals who are or were employed by Defendant as truck driver employees in California at any time during the Class Period.

The "Class Period" is September 9, 2016 through November 9, 2020.

This Class Notice explains the lawsuit, the Settlement, and your rights as they pertain to the Settlement. 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 July 1, 2020, this class action lawsuit was initiated by Gabriel Mendez, a former employee of Defendant. The operative complaint is the Second Amended Complaint, which was filed on February 8, 2023. The Second Amended Complaint alleges that Defendant: (a) Engaged in unfair competition in violation of 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 provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (d) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (e) Failed to provide accurate and complete itemized wage statements in violation of California Labor Code § 226; (f) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; (g) Failed to pay vacation wages due; (h) Made unlawful deductions; and (i) Violated the Private Attorneys General Act (“PAGA”) at Labor Code § 2698, *et seq.*

Defendant denies all of the claims and allegations in the Lawsuit and maintains that it has complied with all wage and hour laws. The Court has not ruled on the merits of Plaintiffs’ claims and allegations, has not determined whether Defendant violated any laws, and has not determined whether Plaintiffs or any other Class Members are entitled to any money or other relief.

On October 6, 2022, the Parties participated in an all-day mediation with Hon. Judge Steven Denton (Ret.), an experienced mediator of class and PAGA actions, which resulted in the Parties’ agreement to settlement terms. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, 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 amount totaling One Hundred Eighty Thousand Dollars (\$180,000.00) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all individual settlement payments to Settlement Class Members, Class Counsel’s attorneys’ fees and costs, Claims Administration Expenses, the PAGA Payment, and the Service Awards to the Plaintiffs.

After the Court enters final judgment and approves of the Settlement, Defendant will pay the Gross Settlement Amount to the Settlement Administrator.

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 Expenses.** Payment to the Settlement Administrator, estimated not to exceed \$4,500.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- **Attorneys’ Fees and Costs.** Payment to Class Counsel of an award for attorneys’ fees of no more than 1/3 of the Gross Settlement Amount (currently \$60,000.00) and expenses of not more than \$15,000.00 for all costs incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Lawsuit on behalf of Plaintiffs 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.

- **Service Award.** Class Representative Service Payment of up to \$10,000.00 to lead plaintiff George Mendez and \$5,000.00 each to co-lead plaintiffs George Gosch, John Dian and Michael Knighton, or such lesser amount as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook.
- **PAGA Payment.** A payment of \$5,000.00 relating to Plaintiffs' claim under PAGA, \$3,750.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA"), and the remaining \$1,250.00 will be distributed to PAGA Employees as part of the Net PAGA Amount.
- **Calculation of Individual Payments to Class Members.** After all the above payments of the court-approved Class Counsel's attorneys' fees and costs, the Service Award, the PAGA Payment, and the Claims Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," will be distributed to eligible Class members who do **not** request exclusion ("Settlement Class Members"). The 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 PAGA Settlement Members.** The Net PAGA Amount will be distributed to PAGA Settlement Members irrespective of whether they exclude themselves or opt out. The Net PAGA Amount will be divided by the total number of pay periods worked by all PAGA Settlement Members during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective PAGA Settlement Member during the PAGA Period. "PAGA Settlement Members" 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 from July 1, 2019 to November 9, 2020.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share 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 insure you receive your payment.

Tax Matters. 20% of each individual payment to Settlement Class Members is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. 80% of each individual payment to Settlement Class Members is allocated to interest, penalties and other non-wage payments, and no taxes will be withheld, and each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from the individual payments paid to PAGA Settlement Members, and each PAGA Settlement Member will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in the Settlement or this Notice 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. The Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering final judgment.

4. What do I receive under the Settlement?

Release by Settlement Class Members. Unless you exclude yourself from the Settlement, upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, you will be deemed to fully and

finally release Defendant and each of its past, present and future agents, employees, clients, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies, common law employers, potential and alleged common law employers, dual employers, co-employers, potential and alleged coemployers, contractors, affiliates, service providers, alter-egos, potential and alleged alteregos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries parents, subsidiaries, other service providers, and assigns (collectively, the "Released Parties") from any and all claims and liability theories asserted in the Lawsuit, as amended during the Class Period (September 9, 2016 through November 9, 2020), and/or arising from or related to the facts and claims alleged in the Lawsuit during the Class Period, including, but not limited to: all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to reimburse business expenses; wage statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages; unfair business practices related to the aforementioned alleged violations of law and the claims asserted in the lawsuit; penalties, including wage statement penalties, minimum wage penalties, and waiting-time penalties; non-compliant wage statements; and attorneys' fees and costs; all claims related to the aforementioned alleged violations of law and claims in the lawsuit arising under: the Wage Orders of the California Industrial Welfare Commission; California Business and Professions Code section 17200, et seq.; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 et seq.; and federal common law. This release excludes the release of claims not permitted by law.

Release by the PAGA Settlement Members. Separately, PAGA Settlement Members will release the Released Parties from all claims for civil penalties under PAGA asserted in the Lawsuit, as amended, and/or arising from or related to the facts and claims alleged in the Lawsuit, as amended, or the July 1, 2020 PAGA letter sent to the LWDA, or that could have been raised in the Lawsuit, as amended, or the July 1, 2020 PAGA letter sent to the LWDA based on the facts and claims alleged (collectively, the "Released PAGA Claims"). The Released PAGA Claims include all claims for civil penalties under PAGA arising from or related to unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; payment for all hours worked, including off-the-clock work; failure to reimburse business expenses; wage statements; unlawful deductions; failure to pay all wages when due; failure to pay vacation wages; failure to pay all wages due at the end of the employment relationship; non-compliant wage statements; and attorneys' fees and costs; all claims for civil penalties under PAGA related to the PAGA Released Claims arising under the Wage Orders of the California Industrial Welfare Commission. This release excludes the release of claims not permitted by law.

PAGA Settlement Members cannot exclude themselves from the PAGA Settlement. If you are a PAGA Settlement Member, you will release the Released PAGA Claims and will receive your share of the PAGA Settlement regardless of whether you request to be excluded from the Settlement.

S. How much will my payment be?

Defendant's records reflect that you have << ____ >> Workweeks worked during the Class Period (September 9, 2016 through November 9, 2020).

Based on this information, your estimated Class Settlement Share is <<_____>>.

Defendant's records reflect that you have <<_____>> pay periods worked during the PAGA Period (July 1, 2019 to November 9, 2020).

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.; 1-888-250-6810; <https://ilymgroup.com/contact-us>.

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 <https://ilymgroup.com/>

7. What if I do not want to be a part of the Class 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 NOT receive a Class Settlement Share, and you will not be bound by the Settlement's terms, except as provided as follows.** Regardless 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 your PAGA Payment Share.

To opt out from the Class Settlement, you must submit a written request to exclude yourself to the Settlement Administrator, by First Class Mail, signed, dated and postmarked no later than [DATE]. The address for the Settlement Administrator is ILYM Group Inc., 14771 Plaza Drive, Ste. L, Tustin, CA 92780. 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 and must indicate, in substance, that you wish to exclude yourself from the settlement. 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 *Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486*. 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
E-Mail: jlapuyade@jcl-lawfirm.com

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
Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Counsel for Defendant:

Nora K. Stilestein, Esq.
Sheppard, Mullin, Richter &
Hampton, LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071-1422
Telephone: 213.620.1780
Facsimile: 213.620.1398
E mail: nstilestein@sheppardmullin.com

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 San Joaquin County Superior Court, Department 10A, located at 180 E Weber Ave, Stockton, CA 95202, before Judge George J. Abdallah. 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 *Mendez, et al. v. Bondz, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0007486*, 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 CONTACT THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In the event a check issued by the Settlement Administrator has not been cashed within one hundred and eighty (180) days, the Settlement Administrator will pay all funds from such uncashed checks to State Controller's Office. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT C