

1 Raul Perez (SBN 174687)
Raul.Perez@capstonelawyers.com
2 Brandon Brouillette (SBN 273156)
Brandon.Brouillette@capstonelawyers.com
3 Brooke W. Waldrop (SBN 314486)
Brooke.Waldrop@capstonelawyers.com
4 Capstone Law APC
1875 Century Park East, Suite 1000
5 Los Angeles, California 90067
Telephone: (310) 556-4811
6 Facsimile: (310) 943-0396

7 Attorneys for Plaintiffs Belinda Payton and Charmaine Walker

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 FOR THE COUNTY OF SAN JOAQUIN

11 BELINDA PAYTON, individually, and on
12 behalf of other members of the general public
similarly situated,

13 Plaintiff,

14 vs.

15 PRIDE INDUSTRIES, a California corporation;
16 and DOES 1 through 10, inclusive,

17 Defendants.

Case No.: STK-UOE-2017-7110

**SUPPLEMENTAL DECLARATION OF
RAUL PEREZ IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: July 24, 2020
Time: 9:00 a.m.
Place: Department 10-B

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

1. I am an attorney licensed to practice before all courts of the State of California. I am a Partner at Capstone Law APC (“Capstone” or “Plaintiffs’ Counsel”), counsel for Plaintiff Belinda Payton and Charmaine Walker (“Plaintiffs”) in the above-captioned action. Unless indicated otherwise, I have personal knowledge of the following facts and if called as a witness, I could and would testify competently to them. I make this supplemental declaration in support of the Motion for Preliminary Approval of the Class Action Settlement.
2. Attached as Exhibit 1 is a true and correct copy of the fully-executed Joint Stipulation of Class Action Settlement and Release. A copy of the fully-executed Joint Stipulation of Class Action Settlement and Release has been e-filed with the LWDA.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 15th day of July, 2020, at Los Angeles, California.

15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit 1

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

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN

BELINDA PAYTON, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

PRIDE INDUSTRIES, a California corporation;
and DOES 1 through 10, inclusive,

Defendants.

Case No.: STK-UOE-2017-7110

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

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Belinda Payton and Charmaine Walker (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly situated, and Defendant PRIDE Industries (“Defendant”) (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

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

1. “Action” means *Payton v. PRIDE Industries*, No. STK-UOE-2017-7110 (San Joaquin County Superior Court).

2. “Agreement,” “Stipulation,” or “Release” shall mean this Joint Stipulation of Class Action Settlement and Release, including any attached Exhibits.

3. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to fees and expenses of experts, investigation expenses, postage, telephone, and photocopying charges, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Class Settlement Amount, or Two Hundred Sixteen Thousand Six Hundred Sixty Seven Dollars (\$216,667). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Thirty Thousand Dollars (\$30,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

4. “Class Counsel” means Capstone Law APC.

5. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator and to Class Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List

1 will be formatted in Microsoft Office Excel and will include each Class Member's full name; most
2 recent mailing address and telephone number; Social Security number; dates of employment; the
3 respective number of Workweeks that each Class Member worked during the Class Period; and any
4 other relevant information needed to calculate settlement payments.

5 6. "Class Member(s)" or "Settlement Class" means all persons who were employed by
6 Defendant in non-exempt positions at the California Department of Corrections and Rehabilitation
7 ("CDCR") in Stockton, California during the Class Period.

8 7. "Class Period" means the period from January 1, 2016 through the date of Preliminary
9 Approval of this Joint Stipulation of Class Action Settlement and Release.

10 8. "Class Representative Enhancement Payments" means the amounts to be paid to
11 Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of Class Members,
12 and for their general release of claims. Subject to the Court granting final approval of this Settlement
13 Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of
14 Class Representative Enhancement Payments of Ten Thousand Dollars (\$10,000) to Belinda Payton and
15 Five Thousand Dollars (\$5,000) to Charmaine Walker.

16 9. "Class Settlement Amount" means the Class Settlement Amount of Six Hundred Fifty
17 Thousand Dollars (\$650,000), to be paid by Defendant in full satisfaction of all Released Claims arising
18 from the Action, which includes all Individual Settlement Payments to Participating Class Members,
19 Attorneys' Fees and Costs to Class Counsel, the Class Representative Enhancement Payments to
20 Plaintiffs, the Labor and Workforce Development Agency Payment, and Settlement Administration
21 Costs to the Settlement Administrator. This Class Settlement Amount has been agreed to by Plaintiffs
22 and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no
23 event will Defendant be liable for more than the Class Settlement Amount. There will be no reversion of
24 the Class Settlement Amount to Defendant. Defendant will be separately responsible for any employer
25 payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall
26 not be paid from the Class Settlement Amount.

27 10. "Court" means the San Joaquin County Superior Court.

28 11. "Defendant" means Defendant PRIDE Industries.

12. “Effective Date” means the later of: (i) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (ii) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval, provide no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

13. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

14. “Individual Settlement Payment” means each Participating Class Member’s respective share of the Net Settlement Amount.

15. “Labor and Workforce Development Agency Payment” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that Fifty Thousand Dollars (\$50,000) of the Class Settlement Amount will be allocated to the resolution of Class Members’ claims arising under PAGA, Seventy-Five Percent (75%) of which, or Thirty Seven Thousand Five Hundred Dollars (\$37,500), will be paid to the California Labor and Workforce Development Agency, and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), will be included in the Net Settlement Amount.

16. “Net Settlement Amount” means the portion of the Class Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, the Labor and Workforce Development Agency Payment, and Settlement Administration Costs. The Net Settlement Amount will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Amount to Defendant.

17. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full name, signature, address, and telephone number, (ii) a written statement of all grounds for the objection accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other documents upon which the objection is based; and (iv) a statement whether the objector intends to appear

1 at the final fairness hearing. Any Class Member who does not submit a timely written objection to the
2 Settlement, or who fails to otherwise comply with the specific and technical requirements of this section,
3 will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the
4 Settlement, by appeal or otherwise.

5 18. "Notice Packet" means the Notice of Class Action Settlement, substantially in the form
6 attached as Exhibit A.

7 19. "Parties" means Plaintiffs and Defendant collectively.

8 20. "Participating Class Members" means all Class Members who do not submit timely and
9 valid Requests for Exclusion.

10 21. "Plaintiffs" means Plaintiffs Belinda Payton and Charmaine Walker.

11 22. "Preliminary Approval" means the Court order granting preliminary approval of the
12 Settlement Agreement.

13 23. "Released Claims" means all claims, rights, demands, liabilities, and causes of action,
14 arising from, or related to, the same set of operative facts as those set forth in the operative complaint
15 during the Class Period, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest
16 break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay
17 wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages
18 during employment based on the preceding claims; (vi) all claims for wage statement violations based on
19 the preceding claims; (vii) all claims for the failure to reimburse for necessary business expenses; and
20 (viii) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*, and
21 California Labor Code §§ 2698, *et seq.* based on the preceding claims, including any and all associated
22 claims for penalties, premium pay, liquidated damages, interest, attorney fees and costs.

23 24. "Released Parties" means Defendant and its subsidiaries, affiliates, parents and
24 attorneys, and each of their company-sponsored employee benefit plans and their respective successors
25 and predecessors in interest, as well as their respective past and present officers, directors, shareholders,
26 employees, agents, principals, heirs, representatives, administrators, fiduciaries, trustees, accountants,
27 auditors, consultants, insurers and reinsurers.

28 25. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a

1 request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name,
2 address, telephone number and last four digits of the Social Security Number of the Class Member
3 requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement
4 Administrator; (iv) clearly state that the Class Member does not wish to be included in the Settlement;
5 and (v) be faxed or postmarked on or before the Response Deadline.

6 26. "Response Deadline" means the deadline by which Class Members must postmark or
7 fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the
8 Settlement Administrator. The Response Deadline will be thirty (30) calendar days from the initial
9 mailing of the Notice Packet by the Settlement Administrator, unless the thirtieth (30th) calendar day
10 falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day
11 on which the U.S. Postal Service is open.

12 27. "Settlement Administration Costs" means the costs payable from the Class Settlement
13 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
14 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Class
15 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
16 Settlement Administration Costs will be paid from the Class Settlement Amount, including, if necessary,
17 any such costs in excess of the amount represented by the Settlement Administrator as being the
18 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
19 approximately 700 Class Members, the Settlement Administration Costs are currently estimated to be
20 Eleven Thousand Five Hundred Dollars (\$11,500).

21 28. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action
22 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
23 administering this Settlement. The Parties each represent that they do not have any financial interest in
24 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
25 could create a conflict of interest.

26 29. "Workweeks" means the number of days of employment at the CDCR facility in
27 Stockton, California for each Class Member during the Class Period, subtracting days on leave of
28 absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class

Members will be credited with at least one Workweek.

TERMS OF AGREEMENT

The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as follows:

30. First Amended Complaint. As a condition of settlement, the Parties will stipulate to the filing of a First Amended Complaint (“FAC”) to conform the pleadings with the scope of the Settlement and Released Claims and the definition of Class Period, and to name Charmaine Walker as an additional Named Plaintiff and Class Representative. Defendant will not be required to file an answer or other responsive pleading to the FAC. If, for any reason, the Court does not grant final approval of the Settlement, or if the Settlement does not become final and effective for any reason, then the FAC will be deemed withdrawn and the First Amended Complaint will again become the operative complaint without prejudice to Plaintiff Belinda Payton’s right to seek leave to file another amended complaint. Defendant does not impliedly or expressly waive any arguments or defenses to the FAC.

31. Funding of the Class Settlement Amount. Defendant will make a one-time deposit of the Class Settlement Amount of Six Hundred Fifty Thousand Dollars (\$650,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer’s share of payroll taxes separately. After the Effective Date, the Class Settlement Amount will be used for: (i) Individual Settlement Payments paid from the Net Settlement Amount; (ii) the Labor and Workforce Development Agency Payment; (iii) the Class Representative Enhancement Payments; (iv) Attorneys’ Fees and Costs; and (v) Settlement Administration Costs. Defendant will deposit the Class Settlement Amount within ten (10) calendar days of the Effective Date.

32. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys’ Fees and Costs of not more than Two Hundred Sixteen Thousand Six Hundred Sixty Seven Dollars (\$216,667), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel’s litigation and settlement of the Action (including expert fees, investigations expenses, photocopying, etc.), not to exceed Thirty Thousand Dollars (\$30,000), both of which will be paid from the Class Settlement Amount.

33. Class Representative Enhancement Payment. In exchange for a general release, and in

1 recognition of their effort and work in prosecuting the Action on behalf of Class Members, Defendant
2 agrees not to oppose or impede any application or motion for Class Representative Enhancement
3 Payments of Ten Thousand Dollars (\$10,000) to Belinda Payton and Five Thousand Dollars (\$5,000) to
4 Charmaine Walker.. The Class Representative Enhancement Payments will be paid from the Class
5 Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to
6 the Settlement. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the
7 Class Representative Enhancement Payments.

8 34. Settlement Administration Costs. The Settlement Administrator will be paid for the
9 reasonable costs of administration of the Settlement and distribution of payments from the Class
10 Settlement Amount, which is currently estimated to be Eleven Thousand Five Hundred Dollars
11 (\$11,500). These costs, which will be paid from the Class Settlement Amount, will include, *inter alia*,
12 the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS
13 Forms, distributing Notice Packets, calculating and distributing the Class Settlement Amount, and
14 providing necessary reports and declarations.

15 35. Labor and Workforce Development Agency Payment. Subject to Court approval, the
16 Parties agree that the amount of Fifty Thousand Dollars (\$50,000) from the Class Settlement Amount
17 will be designated for satisfaction of Plaintiffs' and Class Members' PAGA claims. Pursuant to PAGA,
18 Seventy-Five Percent (75%), or Thirty Seven Thousand Five Hundred Dollars (\$37,500), of this sum
19 will be paid to the LWDA and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars
20 (\$12,500), will become part of the Net Settlement Amount.

21 36. Net Settlement Amount. The entire Net Settlement Amount will be distributed to
22 Participating Class Members as Individual Settlement Payments. No portion of the Net Settlement
23 Amount will revert to or be retained by Defendant.

24 37. Individual Settlement Payment Calculations. Individual Settlement Payments will be
25 calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class
26 Member worked during the Class Period. Specific calculations of Individual Settlement Payments will
27 be made as follows:

28 37(a) Defendant will calculate the total number of Workweeks worked by each

Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period.

37(b) To determine each Class Member's estimated "Individual Settlement Payment," the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Settlement Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value.

37(c) The Individual Settlement Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions.

37(d) The entire Net Settlement Amount will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

38. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

39. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in

administration of the Settlement.

40. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

41. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

42. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar days or (ii) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

43. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective Class Member worked for Defendant during the Class Period; (v) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

44. Disputed Information on Notice Packets. Class Members will have an opportunity to

1 dispute the information provided in their Notice Packets. To the extent Class Members dispute their
2 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
3 Settlement Administrator showing that such information is inaccurate. The Settlement Administrator
4 will decide the dispute. Defendant's records will be presumed correct, but the Settlement Administrator
5 will evaluate the evidence submitted by the Class Member and will make the final decision as to the
6 merits of the dispute. All disputes will be decided within ten (10) business days of the Response
7 Deadline.

8 45. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
9 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
10 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
11 receiving the defective submission to advise the Class Member that his or her submission is defective
12 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will
13 have until (i) the Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,
14 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
15 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

16 46. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
17 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
18 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
19 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
20 for Exclusion has been timely submitted.

21 47. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
22 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
23 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released
24 Claims during the Class Period, as well as any Judgment that may be entered by the Court if it grants
25 final approval to the Settlement.

26 48. Releases by Participating Class Members. Upon the Effective Date, and except as to
27 such rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
28 together and individually, on their behalf and on behalf of their respective spouses, heirs, executors,

1 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
2 Parties, or any of them, from each of the Released Claims during the Class Period. With respect to the
3 Released Claims only, Class Members will expressly waive and relinquish, to the fullest extent permitted
4 by law, the provisions, rights and benefits of Section 1542 of the California Civil Code to the extent it is
5 applicable (or any other similar provision under applicable federal, state or local law) that is quoted
6 below. Section 1542 provides:

7 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
8 RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
9 FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY
10 HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT
11 WITH THE DEBTOR OR RELEASED PARTY.

12 49. Subject to and in accordance with the provisions of the Settlement Agreement, even if
13 Class Members may hereafter discover facts in addition to or different from those which they now know
14 or believe to be true with respect to the subject matter of the Released Claims, Class Members shall be
15 deemed to have and by operation of the Final Judgment shall have, fully, finally and forever settled and
16 released any and all Released Claims. This is true whether the Released Claims are known or unknown,
17 suspected or unsuspected, which now exist or heretofore have existed under any theory of law or equity
18 now existing or coming into existence in the future, including but not limited to conduct that is negligent,
19 intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent
20 discovery or existence of such different or additional facts.

21 50. Objection Procedures. To object to the Settlement Agreement, a Class Member must
22 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
23 Deadline. The Notice of Objection must be signed by the Class Member and contain all information
24 required by this Settlement Agreement. The postmark will be deemed the exclusive means for
25 determining that the Notice of Objection is timely. Class Members who fail to object in the manner
26 specified above will be deemed to have waived all objections to the Settlement and will be foreclosed
27 from making any objections, whether by appeal or otherwise, to the Settlement Agreement. Class
28 Members who postmark timely Notices of Objection will have a right to appear at the Final Approval

Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement or appeal from the Order and Judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement.

51. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that certifies the number of Class Members who have submitted valid Requests for Exclusion, objections to the Settlement, and whether any Class Member has submitted a challenge to any information contained in their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

52. Distribution Timing of Individual Settlement Payments. Within twenty (20) calendar days of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiffs; and (iv) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

53. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than one hundred and twenty (120) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property Division.

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

55. Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: (i) Twenty-Five Percent (25%) of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued; and (ii) Seventy-Five (75%) will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

56. Administration of Taxes by the Settlement Administrator. The Settlement

1 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, and Class
2 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
3 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
4 and penalties to the appropriate government authorities.

5 57. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect
6 of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on
7 any statement, representation, or calculation by Defendant or by the Settlement Administrator in this
8 regard.

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

1 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
2 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
3 AGREEMENT.

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

8 60. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally
9 approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other
10 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
11 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
12 likewise be treated as void from the beginning.

13 61. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
14 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
15 Order for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii)
16 preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a final fairness
17 hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class
18 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will
19 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
20 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible
21 for drafting all documents necessary to obtain preliminary approval.

22 62. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
23 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
24 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
25 Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs; (ii)
26 the Class Representative Enhancement Payment; (iii) Individual Settlement Payments; (iv) the Labor
27 and Workforce Development Agency Payment; (v) all Settlement Administration Costs. The final
28 fairness hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class

1 Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel
2 will also be responsible for drafting the attorneys' fees and costs application to be heard at the final
3 approval hearing.

4 63. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
5 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
6 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
7 addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
8 administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or
9 as set forth in this Settlement Agreement.

10 64. Release by Plaintiffs. Upon the Effective Date, in addition to the claims being released
11 by all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to
12 the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and
13 not asserted, which Plaintiffs have or may have against the Released Parties as of the date of execution of
14 this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
15 California Civil Code or similar provisions of other applicable law may apply, Plaintiffs expressly waive
16 any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California
17 Civil Code or similar provisions of applicable law which are as follows:

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

24 65. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include
25 the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set
26 forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

27 66. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
28 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements

1 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
2 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
3 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
4 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
5 contradict the terms of this Settlement Agreement.

6 67. Amendment or Modification. No amendment, change, or modification to this
7 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

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

17 69. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19 70. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
20 will be governed by and interpreted according to the laws of the State of California, without regard for its
21 conflict of laws principles.

22 71. Execution and Counterparts. This Settlement Agreement is subject only to the execution
23 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
24 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
25 copies of the signature page, will be deemed to be one and the same instrument.

26 72. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
27 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
28 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account

all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

74. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

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

76. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not

1 be offered or received as evidence in any action or proceeding to establish any liability or admission on
2 the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-
3 compliance with, federal, state, local or other applicable law.

4 77. No Public Comment: The Parties and their counsel agree that they will not issue any
5 press releases, initiate any contact with the press, respond to any press inquiry, or have any
6 communication with the press about the fact, amount or terms of the Settlement.

7 78. Waiver. No waiver of any condition or covenant contained in this Settlement
8 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to
9 imply or constitute a further waiver by such party of the same or any other condition, covenant, right or
10 remedy.

11 79. Enforcement Actions. In the event that one or more of the Parties institutes any legal
12 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
13 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
14 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
15 expert witness fees incurred in connection with any enforcement actions.

16 80. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
17 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
18 more strictly against one party than another merely by virtue of the fact that it may have been prepared
19 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
20 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

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

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

Settlement Agreement.

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

85. Preliminary and Permanent Injunction. Except as to Class Members who timely submit Requests for Exclusion, the Preliminary Approval Order and Final Judgment will contain provisions enjoining Plaintiffs and the Class Members from prosecuting the Released Claims and enjoining Plaintiffs and the Class Members from initiating or continuing other proceedings regarding the Released Claims, including but not limited to filing any claims for monetary relief of the Released Claims before the Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. Inclusion of these provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 4/7/2020

DocuSigned by:

Belinda Payton

75E167B0026348E...

Belinda Payton

PLAINTIFF

Dated: _____

Charmaine Walker

DEFENDANT PRIDE INDUSTRIES

Dated: _____

Please Print Name of Authorized Signatory

Settlement Agreement.

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

85. Preliminary and Permanent Injunction. Except as to Class Members who timely submit Requests for Exclusion, the Preliminary Approval Order and Final Judgment will contain provisions enjoining Plaintiffs and the Class Members from prosecuting the Released Claims and enjoining Plaintiffs and the Class Members from initiating or continuing other proceedings regarding the Released Claims, including but not limited to filing any claims for monetary relief of the Released Claims before the Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. Inclusion of these provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final Approval is a material part of the consideration for this Settlement.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

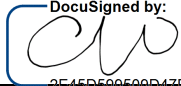
Dated: _____

Belinda Payton

PLAINTIFF

7/13/2020

Dated: _____

DocuSigned by:

2E45D599569D47B...

Charmaine Walker

DEFENDANT PRIDE INDUSTRIES

Dated: _____

Please Print Name of Authorized Signatory

1 Settlement Agreement.

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

7 85. Preliminary and Permanent Injunction. Except as to Class Members who timely submit
8 Requests for Exclusion, the Preliminary Approval Order and Final Judgment will contain provisions
9 enjoining Plaintiffs and the Class Members from prosecuting the Released Claims and enjoining
10 Plaintiffs and the Class Members from initiating or continuing other proceedings regarding the Released
11 Claims, including but not limited to filing any claims for monetary relief of the Released Claims before
12 the Division of Labor Standards and Enforcement ("DLSE") or in any forum whatsoever. Inclusion of
13 these provisions in the Order of Preliminary Approval Order and Final Judgment and Order of Final
14 Approval is a material part of the consideration for this Settlement.

15 **READ CAREFULLY BEFORE SIGNING**

16
17 **PLAINTIFF**

18 Dated: 4/7/2020

Belinda Payton

19 Belinda Payton

20
21 **PLAINTIFF**

22 Dated: _____

23 Charmaine Walker

24
25 **DEFENDANT PRIDE INDUSTRIES**

26 Dated: 5/20/2020

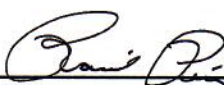
[Signature]
27 Please Print Name of Authorized Signatory
28

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

APPROVED AS TO FORM

CAPSTONE LAW APC

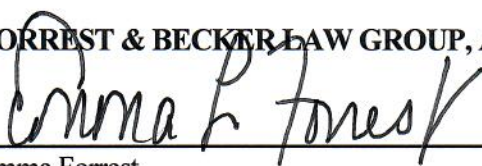
Dated: May 12, 2020

By: 
Raul Perez

Attorneys for Plaintiff Belinda Payton

FORREST & BECKER LAW GROUP, APC

Dated: 5.13.20

By: 
Emma Forrest

Attorneys for Defendant PRIDE Industries

Exhibit A

Payton v. PRIDE Industries, No. STK-UOE-2017-7110
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SAN JOAQUIN
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who were employed by Defendant PRIDE Industries (“Defendant”) in non-exempt positions at the California Department of Corrections and Rehabilitation (“CDCR”) in Stockton, California during the period from January 1, 2016 to [date of Preliminary Approval].

On _____, the Honorable Barbara Kronlund of the San Joaquin County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at ____:00 ____m. on _____, 2020 in Department 10D of the San Joaquin County Superior Court located at 180 E. Weber Avenue, Stockton, CA 95202. You are not required to attend the hearing, but you are welcome to do so.

Summary of the Litigation

Plaintiffs Belinda Payton and Charmaine Walker, on their behalf and on behalf of other current and former non-exempt employees who worked at the California Department of Corrections and Rehabilitation (“CDCR”) in Stockton, California, alleges that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide employees with accurate, itemized wage statements; and (5) reimburse employees for all necessary business expenses.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. The parties participated in multiple mediations with the Hon. Richard Hodge (Ret.), an experienced and well-respected class action mediator. With Judge Hodge’s guidance, the parties were able to negotiate a complete settlement of Plaintiff’s claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs. Neither the proposed Settlement nor any action taken to carry out the proposed Settlement is, may be construed as, or may be used as an admission, concession or indication by or against PRIDE of any fault, wrongdoing, or liability whatsoever. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement is appropriate under California law.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Class Settlement Amount of \$650,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payments of \$10,000 to Belinda Payton and \$5,000 to Charmaine Walker for their services on

behalf of the class; (3) \$216,667 in attorneys' fees and up to \$30,000 in litigation costs and expenses; (4) a \$37,500 payment to the California Labor and Workforce Development Agency ("LWDA") in connection and accordance with the Labor Code Private Attorneys General Act of 2004 ("PAGA"), and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$10,000. After deducting the Class Representative Enhancement Payments, attorneys' fees and costs, the payment to the LWDA, and the Settlement Administrator's fees and expenses, a total of approximately \$340,833 will be allocated to Class Members who do not opt out of the settlement ("Net Settlement Amount").

Each Class Member's settlement payment will be based on the number of Workweeks each Class Member worked in a non-exempt position during the period from January 1, 2016 through [date of Preliminary Approval]. ("Class Period"). The formula for calculating settlement payments is as follows:

- (a) Defendant will calculate the total aggregate number of Workweeks that all Class Members worked during the applicable Class Period ("Total Workweeks").
- (b) The value of each individual Workweek shall then be determined by dividing the proceeds of the Net Settlement Amount by the Total Workweeks amount, resulting in the "Workweek Point Value".
- (c) An "Individual Settlement Payment" amount for each Class Member will then be determined by multiplying the individual Class Member's number of Workweeks by the Workweek Point Value.
- (d) The entire Net Settlement Amount will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion.

According to Defendant's records, you worked during the Class Period in a non-exempt position at the CDCR in Stockton, California for a total of ____ Workweeks. Accordingly, your estimated payment is approximately \$ _____. If you believe the information provided above is incorrect, please contact the Settlement Administrator at _____. If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the following claims ("Released Claims"): All claims, rights, demands, liabilities, and causes of action, arising from, or related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages during employment based on the preceding claims; (vi) all claims for wage statement violations based on the preceding claims; (vii) all claims for the failure to reimburse for necessary business expenses; and (viii) all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the preceding claims, including any and all associated claims for penalties, premium pay, liquidated damages, interest, attorney fees and costs.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

With respect to the Released Claims only, Class Members who choose Option 1 will expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code to the extent it is applicable (or any other similar provision under applicable federal, state or local law) that is quoted below. Section 1542 provides:

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

Subject to and in accordance with the provisions of the Settlement Agreement, even if Class Members who select Option 1 may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, Class Members shall be deemed to have and by operation of the Final Judgment shall have, fully, finally and forever settled and released any and all Released Claims. This is true whether the Released Claims are known or unknown, suspected or unsuspected, which now exist or heretofore have existed under any theory of law or equity now existing or coming into existence in the future, including but not limited to conduct that is negligent, intention, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. I agree that I will not make a claim against any of the Released Parties that is in any way related to the Released Claims.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator
c/o _____

The written request to be excluded must be postmarked or faxed not later than _____, 2020. If you submit a request for exclusion which is not postmarked or faxed by _____, 2020, your request for exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will (1) be barred from participating in the settlement, but you will not be deemed to have released the Released Claims, (2) be barred from filing an objection to the settlement, and (3) not receive a payment from the settlement.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you must submit an objection stating why you object to the settlement. Your objection must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All objections must be received by the administrator by not later than _____ 2020. Late objections will not be considered. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of San Joaquin and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: Number

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

Questions? Contact the Settlement Administrator toll free at 1-*-***-******