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JUST AUTO INSURANCE SERVICES, INC.;
LEON FREGOSO; and ADRIANA GALLARDO FREGOSO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

LISET VIAMONTES, individually, and
ALDO ALPIZAR, individually, and on behalf
of all others similarly situated,

Plaintiff,

vs.

ADRIANA'S INSURANCE SERVICES,
INC., a California corporation d/b/a
ADRIANA'S INSURANCE; JUST AUTO
INSURANCE SERVICES, INC., a
California corporation d/b/a JUST AUTO
INSURANCE; VERONICA'S AUTO
INSURANCE SERVICES, INC., a
California corporation d/b/a VERONICA'S
AUTO INSURANCE; LEON FREGOSO, an
individual; ADRIANA GALLARDO
FREGOSO, an individual; and VERONICA
GALLARDO, an individual; and DOES 1
through 100, inclusive,

Defendants.

CASE NO. BC502472

[Assigned for all purposes to Honorable
Kenneth R. Freeman, Dept. SS-14]

CLASS ACTION

**STIPULATION OF CLASS ACTION
SETTLEMENT**

Complaint Filed: March 7, 2013
Trial Date: None

1 IT IS HEREBY STIPULATED, by and between plaintiff Aldo Alpizar, individually and
2 on behalf of all others similarly situated, on the one hand, and defendants Adriana's Insurance
3 Services, Inc., Just Auto Insurance Services, Inc., Leon Fregoso and Adriana Gallardo Fregoso,
4 on the other hand, and subject to the approval of the Court, that all claims alleged in the Action
5 against Defendants, as defined herein, are hereby compromised and settled pursuant to the terms
6 and conditions set forth in this Stipulation of Class Action Settlement ("Stipulation") and that the
7 Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set
8 forth below, and subject to the definitions, recitals, and terms set forth herein which by this
9 reference become an integral part of this Stipulation.

10 DEFINITIONS

11 1. "Action" means the class action entitled *Liset Viamontes, et al. v. Adriana's*
12 *Insurance Services, Inc., et al.*, Los Angeles Superior Court, Case No. BC502472.

13 2. "Class Counsel" means Matthew J. Matern, Launa Adolph, and Kayvon Sabourian
14 of Matern Law Group, PC.

15 3. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's
16 litigation and resolution of the Action and Class Counsel's expenses and costs reasonably
17 incurred in connection with the Action.

18 4. "Class Information" means information regarding Class Members that Defendants
19 shall in good faith compile from their records and shall transmit in electronic form to the
20 Settlement Administrator and shall include each Class Member's full name; last known address;
21 Social Security number; and Compensable Workweeks.

22 5. "Class Members" means Plaintiff and all other persons directly employed by
23 Defendants as non-exempt employees in the State of California during the Class Period.

24 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the
25 form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement
26 Administrator shall mail to each Class Member explaining the terms of this Stipulation and the
27 Settlement.

28 7. "Class Period" means the period from March 7, 2009 through March 11, 2019.

1 8. “Class Representative Service Award” means the amount that the Court authorizes
2 to be paid to Plaintiff, in addition to Plaintiff’s Individual Settlement Payment, in recognition of
3 Plaintiff’s efforts and risks in assisting with the prosecution of the Action.

4 9. “Compensable Workweeks” means the total number of weeks during which a
5 Class Member worked for Defendants as a non-exempt employee in the State of California during
6 the Class Period based on Defendants’ records and which shall be used to calculate Individual
7 Settlement Payments.

8 10. “Defendants” means defendants Adriana’s Insurance Services, Inc., Just Auto
9 Insurance Services, Inc., Leon Fregoso and Adriana Gallardo Fregoso.

10 11. “Defense Counsel” means Mona Z. Hanna and Vincent S. Loh of Michelman &
11 Robinson, LLP.

12 12. “Effective Date” means the latter of: (a) the date of entry of the Final Order and
13 Judgment if there is no objection to the Settlement by a Class Member; (b) the date which is sixty
14 (60) days after entry of the Final Order and Judgment if no notice is filed within that time seeking
15 appeal of the Final Order and Judgment and if no motion for extension to appeal is filed; or (c) if
16 a notice of appeal is filed, the date upon which all appellate and/or other proceedings resulting
17 from the notice of appeal have been finally terminated in such a manner as to permit the Final
18 Order and Judgment to take effect in substantially the form described herein.

19 13. “Employer’s Share of Payroll Taxes” means Defendants’ portion of payroll taxes,
20 including, but not limited to FICA and FUTA, on the portion of the Individual Settlement
21 Payments that constitutes wages. The Employer’s Share of Payroll Taxes shall be submitted by
22 Defendants to the Settlement Administrator in addition to the Maximum Settlement Amount.

23 14. “Final Approval Hearing” means the hearing to be conducted by the Court after
24 the filing by Plaintiff of an appropriate motion and following appropriate notice to Class
25 Members giving Class Members an opportunity to object to or opt out of the Settlement, at which
26 time Plaintiff shall request that the Court finally approve the Settlement, enter the Final order and
27 Judgment, and take other appropriate action.

28

1 15. “Final Order and Judgment” means the order and judgment to be entered by the
2 Court upon granting final approval of the Settlement and this Stipulation as binding upon the
3 Parties and Class Members.

4 16. “Individual Settlement Payment” means the amount payable from the Net
5 Settlement Amount to each Class Member.

6 17. “Information Sheet” means the form that shall be prepared by the Settlement
7 Administrator and sent to each Class Member that sets forth the total number of Compensable
8 Workweeks and the estimated Individual Settlement Payment for the Class Member, substantially
9 in the form attached as **Exhibit 2**.

10 18. “LWDA Payment” means the payment to the Labor and Workforce Development
11 Agency (“LWDA”) for its share of the portion of the Maximum Settlement Amount allocated as
12 penalties under PAGA.

13 19. “Maximum Settlement Amount” means the maximum amount Defendants shall
14 have to pay in connection with this Settlement, by way of a common fund, which shall be
15 inclusive of all Individual Settlement Payments to Class Members, Class Counsel Award, Class
16 Representative Service Award, Settlement Administration Costs, and LWDA Payment. Subject
17 to Court approval and the terms of this Stipulation, the Maximum Settlement Amount Defendants
18 shall be required to pay is Eight Hundred Fifty Thousand Dollars (\$850,000.00).

19 20. “Net Settlement Amount” means the Maximum Settlement Amount, less Class
20 Counsel Award, Class Representative Service Award, Settlement Administration Costs, and
21 LWDA Payment.

22 21. “Notice of Objection” means a Class Member’s written objection to the
23 Settlement.

24 22. “Notice Packet” means the packet of documents which shall be mailed to all Class
25 Members by the Settlement Administrator, including the Class Notice and Information Sheet,
26 each in English and Spanish.

27 23. “PAGA” means the Labor Code Private Attorneys General Act of 2004, California
28 Labor Code section 2698, et seq.

24. “Participating Class Member” means any and all Class Members who do not submit a valid Request for Exclusion by the Response Deadline.

25. “Parties” means Plaintiff and Defendants.

26. “Plaintiff” means plaintiff Aldo Alpizar.

27. “Preliminary Approval Order” means the order to be issued by the Court approving and authorizing the mailing of the Notice Packet by the Settlement Administrator, setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Stipulation, among other things.

28. “Released Claims” with respect to Participating Class Members means any and all claims, demands, rights, liabilities, and/or causes of action, known and unknown, which were pleaded in the Action or could have been pleaded based upon the factual allegations set forth in the Complaint filed in this Action and arising during the Class Period, including claims for (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to maintain required records; (7) failure to furnish accurate itemized wage statements; (8) unfair and unlawful business practices; and (9) penalties under the Labor Code Private Attorneys General Act.

29. “Released Claims” with respect to Plaintiff only means any and all claims, demands, rights, liabilities, penalties, liquidated damages, causes of action, and other legal responsibilities, of any form whatsoever, whether based on federal, state, local, statutory or common law, or any other law, rule or regulation, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted in any forum by Plaintiff or his heirs, successors and/or assigns, whether directly, indirectly, representatively, derivatively or in any other capacity, against Defendants or any of the other Released Parties, including all claims arising under the California Labor Code and the California Business and Professions Code, and the law of contract, torts and equity, and those claims that were asserted or could have been asserted in connection with the Action, or which relate in any way to Plaintiff’s employment with Defendants or any of the other Released Parties arising at any time prior to the

1 entry of the Final Order and Judgment. To the extent provided by law, this Settlement is intended
2 by the Parties to be a general release and a covenant not to sue as to Plaintiff (but not as to other
3 Class Members), which extinguishes all Released Claims and precludes any attempt by Plaintiff
4 to file or continue prosecution of a lawsuit, or otherwise pursue an individual claim for relief with
5 any local, state or federal agency against Defendants or any of the other Released Parties as to all
6 Released Claims. It is therefore understood and agreed that all rights and benefits under the terms
7 of section 1542 of the California Civil Code are hereby expressly waived by Plaintiff. Section
8 1542 reads as follows:

9 “Section 1542. A general release does not extend to claims that the creditor or releasing
10 party does not know or suspect to exist in his or her favor at the time of executing the
11 release and that, if known by him or her, would have materially affected his or her
12 settlement with the debtor or released party.”

13 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and
14 complete release and discharge of all of his Released Claims, Plaintiff expressly acknowledges
15 that this Settlement is intended to include in its effect, without limitation, all Released Claims
16 which Plaintiff does not know or suspect to exist in his favor at the time of execution hereof, and
17 that the Settlement contemplates the extinguishment of all such Released Claims.

18 30. “Released Parties” means (i) Defendants; (ii) Veronica’s Defendants; (iii) their
19 past, present and future subsidiaries, parents, affiliated and related companies, joint employers,
20 divisions, successors, predecessors or assigns; (iv) the past, present, and future officers, directors,
21 shareholders, partners, agents, insurers, employees, advisors, accountants, representatives,
22 trustees, heirs, executors, administrators, predecessors, successors or assigns of any of the
23 foregoing; and (v) any individual or entity which could be determined to be jointly liable with
24 Defendants, or any of them.

25 31. “Request for Exclusion” means a written request by a Class Member to opt out of,
26 or exclude oneself from, the Settlement.

1 maintain required records; (7) failure to furnish accurate itemized wage statements; (9) unfair and
2 unlawful business practices; and (9) penalties under the Labor Code Private Attorneys General
3 Act.

4 On October 21, 2013, Defendants filed a Petition to Compel Arbitration of Plaintiff's
5 Individual Claims, which the Court denied. On December 23, 2013, Defendants filed a Notice of
6 Appeal in connection with the Court's denial of their Petition to Compel Arbitration of Plaintiff's
7 Individual Claims. On March 3, 2016, the Court of Appeal reversed the Court's denial of the
8 Petition to Compel Arbitration of Plaintiff's Individual Claims and directed the Court to allow
9 Defendants to submit additional evidence. On August 1, 2016, Defendants filed a motion to
10 compel arbitration of Plaintiff's claims. On September 6, 2016, the Court issued an order
11 granting Defendants' motion to compel arbitration as to all non-PAGA claims and stayed the
12 PAGA claim pending arbitration. Thereafter, the Parties agreed to arbitrate this matter with Hon.
13 Enrique Romero (Ret.).

14 On February 24, 2017, Plaintiff filed in arbitration a Motion to Proceed on a Classwide
15 Basis. On April 21, 2017, the arbitrator denied Plaintiff's Motion to Proceed on a Classwide Basis
16 and, as such, the arbitration proceed on an individual (as opposed to classwide) basis only.

17 38. Settlement Negotiations. On July 18, 2018, the Parties attended a mediation with
18 Steven Serratore, Esq. but were unable to resolve the case at that time. Thereafter, the Parties
19 engaged in further settlement discussions with the assistance of Mr. Serratore. On January 7,
20 2019, Mr. Serratore made a mediator's proposal which set forth the material terms of a proposed
21 class action settlement. On January 10, 2019, the Parties accepted the mediator's proposal,
22 subject to the Parties entering into a more comprehensive written settlement agreement. The
23 settlement discussions during and after mediation were conducted at arm's length.

24 39. Benefits of Settlement to Plaintiff and Class Members. Plaintiff and Class
25 Counsel recognize the expense and length of continued proceedings necessary to litigate
26 Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff also has
27 taken into account the uncertainty and risks of the outcome of further litigation, and the
28 difficulties and delays inherent in such litigation. Plaintiff and Class Counsel also are aware of

1 the burdens of proof necessary to establish liability for the claims asserted in the Action, both
2 generally and in response to Defendants' defenses thereto, and the difficulties in establishing
3 damages, penalties, restitution and other relief sought in the Action. Plaintiff and Class Counsel
4 also have taken into account Defendants' agreement to enter into a settlement that confers
5 substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class
6 Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and
7 reasonable and is in the best interests of all Class Members.

8 40. Defendants' Reasons for Settlement. Defendants have concluded that any further
9 defense of the Action would be protracted and expensive for all Parties. Substantial amounts of
10 Defendants' time, energy, and resources have been, and unless this Settlement is completed, shall
11 continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendants have also
12 taken into account the risks of further litigation in reaching their decision to enter into this
13 Settlement. Even though Defendants contend they are not liable for any of the claims alleged by
14 Plaintiff in the Action, and deny any wrongdoing whatsoever, Defendants have agreed,
15 nonetheless, to settle in the manner and upon the terms set forth in this Stipulation and to put to
16 rest the claims alleged in the Action. Defendants asserted and continue to assert that Plaintiff's
17 claims have no merit and do not give rise to any liability, damages, restitution, penalties or other
18 payments. This Stipulation is a compromise of disputed claims. Nothing contained in this
19 Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation,
20 shall be construed or used as an admission by or against Defendants as to the merits or lack
21 thereof of the claims asserted in the Action. Defendants contend they have complied with all
22 applicable state, federal and local laws.

23 TERMS OF SETTLEMENT

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

26 41. Binding Settlement. This Settlement shall bind the Parties and all Class Members,
27 subject to the terms and conditions hereof and the Court's approval.

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

6 43. Tax Liability. The Parties make no representations as to the tax treatment or legal
7 effect of the payments specified herein, and Class Members are not relying on any statement or
8 representation by the Parties, Class Counsel or Defense Counsel in this regard. Class Members
9 and Class Counsel understand and agree that they shall be responsible for the payment of all taxes
10 and penalties assessed on the payments specified herein, and shall hold the Parties, Class Counsel
11 and Defense Counsel free and harmless from and against any claims resulting from treatment of
12 such payments as non-taxable, including the treatment of such payments as not subject to
13 withholding or deduction for payroll and employment taxes.

14 44. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
15 of this Stipulation, and no written communication or disclosure between or among the Parties,
16 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such
17 communication or disclosure constitute or be construed or be relied upon as, tax advice within the
18 meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended);
19 (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal
20 and tax counsel for advice (including tax advice) in connection with this Stipulation, (b) has not
21 entered into this Stipulation based upon the recommendation of any other party or any attorney or
22 advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by
23 any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the
24 acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation
25 that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of
26 whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax
27 treatment or tax structure of any transaction, including any transaction contemplated by this
28 Stipulation.

1 45. Preliminary Approval of Settlement. Within fourteen (14) days of full execution
2 of the Stipulation, Plaintiff shall move the Court to enter the Preliminary Approval Order,
3 including a determination by the Court as to the Settlement's fairness, adequacy, and
4 reasonableness. The Parties agree to work diligently and cooperatively to have this Settlement
5 presented to the Court for preliminary approval. The Motion for Preliminary Approval shall ask
6 the Court to issue a Preliminary Approval Order which, among other things, (1) provisionally
7 certifies the class for settlement purposes only; (2) approves, as to form and content, the Class
8 Notice; (3) approves the manner and method for Class Members to object to the Settlement as
9 specified herein and in the Class Notice; (4) directs the mailing of the Notice Packets by first
10 class mail to the Class Members as specified herein; (5) preliminarily approves the Settlement;
11 and (6) schedules a Final Approval Hearing.

12 46. Release by Participating Class Members. Upon the Effective Date, Plaintiff and
13 Participating Class Members will be deemed to have released their respective Released Claims
14 against the Released Parties.

15 47. Settlement Administration.

16 a. Within fifteen (15) business days of entry of the Preliminary Approval
17 Order, Defendants shall provide the Settlement Administrator with the Class Information for
18 purposes of mailing the Notice Packets to Class Members.

19 i. Notice by First Class U.S. Mail. Upon receipt of the Class
20 Information, the Settlement Administrator shall perform a search based on the National Change
21 of Address Database maintained by the United States Postal Service to update and correct any
22 known or identifiable address changes. Within seven (7) days after receiving the Class
23 Information from Defendants as provided herein, the Settlement Administrator shall mail copies
24 of the Notice Packet to all Class Members via regular First Class U.S. Mail. The Settlement
25 Administrator shall exercise its best judgment to determine the current mailing address for each
26 Class Member. The address identified by the Settlement Administrator as the current mailing
27 address shall be presumed to be the most current mailing address for each Class Member. The

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1 Parties agree that this procedure for notice provides the best notice practicable to Class Members
2 and fully complies with due process.

3 ii. Undeliverable Notice Packets. Any Notice Packet returned to the
4 Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-
5 mailed to the forwarding address affixed thereto. If no forwarding address is provided, the
6 Settlement Administrator shall promptly attempt to determine a correct address by the use of
7 skip-tracing, or other type of automated search, using the name, address and/or Social Security
8 number of the Class Member involved, and shall then perform a re-mailing to the Class Member
9 whose Notice Packet was returned as non-deliverable, assuming another mailing address is
10 identified by the Settlement Administrator. Class Members who are sent a re-mailed Notice
11 Packet shall have their Response Deadline extended by seven (7) days from the date the
12 Settlement Administrator re-mails the Notice Packet. If these procedures are followed, notice to
13 Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the
14 Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain
15 a Class Member and shall be bound by all terms of the Settlement and the Final Order and
16 Judgment.

17 iii. Determination of Individual Settlement Payments. The Settlement
18 Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement
19 Payment under the terms of this Stipulation. The Settlement Administrator's determination of the
20 eligibility for and amount of each Individual Settlement Payment shall be binding upon the Class
21 Member and the Parties, yet subject to review by Class Counsel, Defense Counsel and the Court.
22 In the absence of fraud or gross negligence, Defendants' records shall be given the presumption
23 of accuracy.

24 iv. Disputes Regarding Administration of Settlement. Any dispute not
25 resolved by the Settlement Administrator concerning the administration of the Settlement shall be
26 resolved by the Court.

27 b. Exclusions. The Class Notice shall explain that Class Members who wish
28 to exclude themselves from the class and Settlement must submit a Request for Exclusion to the

1 Settlement Administrator by the Response Deadline. The Request for Exclusion must:
2 (1) contain the name, address, and the last four digits of the Social Security Number of the person
3 requesting exclusion; (2) be signed by the Class Member; and (3) be postmarked by the Response
4 Deadline and returned to the Settlement Administrator at the specified address. Subject to review
5 by Class Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing
6 envelope on the Request for Exclusion shall be the exclusive means used by the Settlement
7 Administrator to determine whether a Class Member has timely requested exclusion from the
8 class and Settlement. Any Class Member who timely and properly requests to be excluded from
9 the class and Settlement shall not be entitled to any benefits under the Settlement and shall not be
10 bound by the terms of the Settlement nor shall the Class Member have any right to object to the
11 Settlement or appeal from the entry of the Final Order and Judgment. Class Members who do not
12 submit a valid and timely Request for Exclusion on or before the Response Deadline shall be
13 bound by all terms of the Settlement and the Final Order and Judgment entered in this Action if
14 the Settlement is finally approved by the Court. At no time shall any of the Parties or their
15 counsel solicit or otherwise encourage Class Members to submit requests for exclusion from the
16 class and Settlement. No later than seven (7) days after the Response Deadline, the Settlement
17 Administrator shall provide counsel for the Parties with a complete list of all Class Members who
18 submitted a timely and valid Request for Exclusion. If five percent (5%) or more of the Class
19 Members opt out, then the Settlement may, at the sole discretion of Defendants, be rescinded and
20 revoked, and the Settlement will become null and void.

21 c. Objections. The Class Notice shall state that Class Members who wish to
22 object to the Settlement may submit to the Settlement Administrator a Notice of Objection by the
23 Response Deadline. The Notice of Objection should (1) state the full name, address, telephone
24 number and last four digits of the Class Member's Social Security Number; (2) be signed by the
25 Class Member; (3) state the grounds for the objection; (4) state whether the Class Member intends
26 to appear at the Final Approval Hearing; and (5) be postmarked by the Response Deadline and
27 returned to the Settlement Administrator at the specified address. Subject to review by Class
28 Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing envelope

1 on the Notice of Objection shall be the exclusive means used by the Settlement Administrator to
2 determine whether a Class Member has timely objected to the Settlement. At no time shall any of
3 the Parties, Class Counsel or Defense Counsel seek to solicit or otherwise encourage or
4 discourage Class Members from submitting a Notice of Objection or filing an appeal from the
5 Final Order and Judgment. A Class Member may not object to the Settlement and also submit a
6 Request for Exclusion.

7 d. Monitoring and Reviewing Settlement Administration. The Parties have
8 the right to monitor and review the administration of the Settlement to verify that the monies
9 allocated under the Settlement are distributed in a correct amount, as provided for in this
10 Stipulation.

11 e. Best Efforts. The Parties agree to use their best efforts to carry out the
12 terms of this Settlement.

13 48. Funding of Maximum Settlement Amount. No later than fifteen (15) business
14 days after the Effective Date, Defendants shall provide to the Settlement Administrator, in any
15 feasible manner, including, but not limited to, by way of a wire transfer, the Maximum Settlement
16 Amount. In no event shall there be any distribution from the Maximum Settlement Amount until
17 after the Effective Date and all conditions precedent specified in this Stipulation have been
18 completely satisfied. If this Settlement is not finally approved by the Court in full, or is
19 terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective
20 Date does not occur, then no Maximum Settlement Amount shall be paid.

21 a. Individual Settlement Payments. Class Members shall not be required to
22 submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the
23 Maximum Settlement Amount shall revert to Defendants or result in an unpaid residue.
24 Individual Settlement Payments shall be paid by the Settlement Administrator to all Class
25 Members from the Net Settlement Amount pursuant to the formula set forth herein. Individual
26 Settlement Payments shall be mailed by the Settlement Administrator by regular First Class U.S.
27 Mail to each Class Member's last known mailing address within fourteen (14) days after
28 Defendants provides the Settlement Administrator with the Maximum Settlement Amount. Prior

1 to mailing the Individual Settlement Payments, the Settlement Administrator shall perform a
2 search based on the National Change of Address Database maintained by the United States Postal
3 Service to update and correct any known or identifiable address changes.

4 i. Each Class Member's Individual Settlement Payment shall be
5 calculated by the Settlement Administrator as follows: Defendants shall provide the Settlement
6 Administrator with the Compensable Workweeks for each Class Member; the Settlement
7 Administrator shall then divide the Net Settlement Amount by the total number of Compensable
8 Workweeks for all Participating Class Members resulting in a value for each week worked by the
9 Participating Class Members during the Class Period ("Workweek Value"); the Settlement
10 Administrator shall then take the number of Compensable Workweeks for each Participating
11 Class Member and multiply it by the Workweek Value.

12 ii. Individual Settlement Payments shall be made by check and shall
13 be made payable to each Class Member as set forth in this Stipulation.

14 iii. Individual Settlement Payments shall be allocated as follows: one-
15 third as wages subject to all applicable tax withholdings, one-third as non-wage penalties not
16 subject to payroll tax withholdings, and one-third non-wage interest not subject to payroll tax
17 withholdings. The Settlement Administrator shall issue an IRS Form W-2 to each Participating
18 Class Member for the portion of each Individual Settlement Payment allocated as wages and
19 subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form
20 1099 to each Participating Class Member for the portions of each Individual Settlement Payment
21 allocated as non-wage penalties and interest and not subject to payroll tax withholdings.

22 iv. Individual Settlement Payments shall remain negotiable for 180
23 days after issuance. The Settlement Administrator shall transmit the value of any Individual
24 Settlement Payments that have not been cashed or deposited within 180 days after issuance, plus
25 any interest that has accrued thereon, to Legal Aid at Work, a nonprofit organization that engages
26 in litigation that helps further the objectives and purposes of this class action and provides legal
27 services to and/or on behalf of the indigent in California. The Settlement Administrator shall
28 void any tax documents issued to Participating Class Members who did not cash or deposit their

1 Individual Settlement Payments within 180 days after issuance. Class Members who fail to cash
2 or deposit their Individual Settlement Payments within 180 days after issuance shall nevertheless
3 remain bound by the Settlement. Pursuant to Code of Civil Procedure section 384, Plaintiff
4 agrees to report to the Court the total amount that was actually paid to the class members, and will
5 do so by the date directed by the Court. To the extent the Court thereafter determines that the
6 judgment must be amended pursuant to Code of Civil Procedure section 384, the amended
7 judgment shall direct the Settlement Administrator to pay the sum of the unpaid residue or
8 unclaimed or abandoned class member funds, plus any interest that has accrued thereon, to Legal
9 Aid at Work.

10 v. All monies received by Class Members under the Settlement which
11 are attributable to wages shall constitute income to such Class Members solely in the year in
12 which such monies actually are received by Class Members. It is expressly understood and
13 agreed that the receipt of Individual Settlement Payments shall not entitle any Class Member to
14 additional compensation or benefits under any collective bargaining agreement or under any
15 bonus, contest or other compensation or benefit plan or agreement in place during the period
16 covered by the Settlement, nor shall it entitle any Class Member to any increased pension and/or
17 retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual
18 Settlement Payments provided for in this Stipulation are the sole payments to be made by
19 Defendants to Class Members in connection with this Settlement, with the exception of Plaintiff,
20 and that Class Members are not entitled to any new or additional compensation or benefits as a
21 result of having received the Individual Settlement Payments. Furthermore, the receipt of
22 Individual Settlement Payments by Class Members shall not, and does not, establish any general,
23 special, or joint employment relationship between and among the Class Member(s) and
24 Defendants.

25 b. Class Representative Service Award. Subject to Court approval, Plaintiff
26 shall be paid a Class Representative Service Award not to exceed Seven-Thousand Five-Hundred
27 Dollars (\$7,500.00), or any lesser amount as awarded by the Court, for his time and effort in
28 bringing and presenting the Action and for releasing his Released Claims. The Class

1 Representative Service Award shall be paid to Plaintiff from the Maximum Settlement Amount
2 no later than ten (10) days after Defendants provides the Settlement Administrator with the
3 Maximum Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to
4 Plaintiff for his Class Representative Service Award. Plaintiff shall be solely and legally
5 responsible to pay any and all applicable taxes on his Class Representative Service Award and
6 shall hold harmless Defendants, Class Counsel and Defense Counsel from any claim or liability
7 for taxes, penalties, or interest arising as a result of payment of the Class Representative Service
8 Award. The Class Representative Service Award shall be made in addition to Plaintiff's
9 Individual Settlement Payment. Any amount not requested by Plaintiff or not awarded by the
10 Court for the Class Representative Service Award shall become part of the Net Settlement
11 Amount and shall be distributed to Class Members as part of their Individual Settlement
12 Payments.

13 c. Class Counsel Award. Subject to Class Counsel filing an appropriate
14 motion with the Court and subject to Court approval, Class Counsel shall be entitled to receive
15 reasonable attorneys' fees in an amount not to exceed thirty-three and one-third percent (33 1/3%)
16 of the Maximum Settlement Amount, which amounts to Two Hundred Eighty-Three Thousand
17 Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$283,333.33). In addition,
18 subject to Court approval, Class Counsel shall be entitled to an award of reasonable costs
19 associated with Class Counsel's prosecution of the Action in an amount not to exceed Thirty-Four
20 Thousand Dollars (\$34,000.00). Class Counsel shall not seek, and Defendants shall not oppose or
21 object to Plaintiff's request for an award of attorneys' fees in an amount not to exceed Two
22 Hundred Eighty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three
23 Cents (\$283,333.33) and request for an award of reasonable costs in an amount not to exceed
24 Thirty-Four Thousand Dollars (\$34,000.00). In the event the Court awards Class Counsel less
25 than Two Hundred Eighty-Three Thousand Three Hundred and Thirty-Three Dollars and Thirty-
26 Three Cents (\$283,333.33) in attorneys' fees and/or less than Thirty-Four Thousand Dollars
27 (\$34,000.00) in costs, the difference shall become part of the Net Settlement Amount and shall be
28 distributed to Participating Class Members as part of their Individual Settlement Payments. Class

1 Counsel shall be paid any Court-awarded attorneys' fees and costs no later than ten (10) days
2 after Defendants provides the Settlement Administrator with the Maximum Settlement Amount.
3 Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class
4 Counsel Award. Class Counsel shall provide the Settlement Administrator with properly
5 completed and signed IRS Form W-9s in order for the Settlement Administrator to process the
6 Class Counsel Award approved by the Court. This Settlement is not conditioned upon the Court
7 awarding Class Counsel any particular amount of attorneys' fees or costs.

8 d. LWDA Payment. Fifty Thousand Dollars (\$50,000.00) from the
9 Maximum Settlement Amount shall be allocated as penalties under PAGA, of which Thirty-
10 Seven Thousand Hundred Five Hundred Dollars (\$37,500.00) shall be paid by the Settlement
11 Administrator directly to the LWDA. The remaining Twelve Thousand Five Hundred Dollars
12 (\$12,500.00) shall be part of the Net Settlement Amount and shall be distributed to Participating
13 Class Members as part of their Individual Settlement Payments.

14 e. Settlement Administration Costs. The Settlement Administration Costs are
15 estimated not to exceed Fifteen Thousand Dollars (\$15,000.00) and shall be paid from the
16 Maximum Settlement Amount. Prior to Plaintiff filing a motion for final approval of the
17 Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the
18 Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement
19 Administration process and to make all reasonable efforts to control and minimize Settlement
20 Administration Costs.

21 i. The Settlement Administrator shall be authorized to establish a
22 Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Maximum
23 Settlement Amount shall be placed and from which payments required by the Settlement shall be
24 made.

25 ii. The Settlement Administrator shall keep the Parties timely apprised
26 of the performance of all Settlement Administrator responsibilities required by the Settlement.
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1 iii. The Parties each represent they do not have any financial interest in
2 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator
3 that could create a conflict of interest.

4 f. Employer's Share of Payroll Taxes. The Settlement Administrator shall
5 calculate the amount of the Employers' Share of Payroll Taxes and shall remit and report the
6 applicable portions of the payroll tax payment to the appropriate taxing authorities in a timely
7 manner. The Employer's Share of Payroll Taxes shall be submitted by Defendants to the
8 Settlement Administrator in addition to the Maximum Settlement Amount.

9 49. Final Settlement Approval Hearing and Entry of Final Order and Judgment. Upon
10 expiration of the Response Deadline, a Final Approval Hearing shall be conducted to determine
11 whether to grant final approval of the Settlement, including determining the amounts properly
12 payable for: (i) the Class Counsel Award; (ii) the Class Representative Service Award; and (iii)
13 Settlement Administration Costs. Prior to the Final Approval Hearing, the Settlement
14 Administrator shall provide a written report or declaration to the Parties describing the process
15 and results of the administration of the Settlement to date, which report or declaration shall be
16 filed by Plaintiff with the Court prior to the Final Approval Hearing. The Settlement
17 Administrator shall post notice of the judgment on its website within seven (7) calendar days of
18 entry of judgment.

19 50. Nullification of Settlement. In the event: (i) the Court does not enter the
20 Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement;
21 (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not
22 become final for any other reason, this Stipulation shall be rendered null and void, any order or
23 judgment entered by the Court in furtherance of this Settlement shall be treated as void from the
24 beginning, this Stipulation and any documents related to it shall not have any force and effect
25 and/or be admissible, offered into evidence or used in any other manner in this Action by any
26 Class Member or Class Counsel to support any claim or request for class certification in the
27 Action and shall not be used in any other civil, criminal or administrative action against
28 Defendants or any of the other Released Parties, and the Stipulation and all negotiations,

1 statements and proceedings relating thereto shall be without prejudice to the rights of any of the
2 Parties, all of whom shall be restored to their respective positions in the Action prior to the
3 settlement. In the event an appeal is filed from the Final Order and Judgment, or any other
4 appellate review is sought, administration of the Settlement shall be stayed pending final
5 resolution of the appeal or other appellate review. If the Settlement does not become final
6 because of an appeal or other appellate review, any fees incurred by the Settlement Administrator
7 prior to it being notified of the filing of an appeal from the Final Order and Judgment, or any
8 other appellate review, shall be paid by Defendants.

9 51. No Admission by Defendants. Defendants deny all claims alleged in the Action
10 and deny all wrongdoing whatsoever by Defendants. Neither this Stipulation, nor any of its terms
11 and conditions, nor any of the negotiations connected with it, is a concession or admission, and
12 none shall be used against Defendants as an admission or indication with respect to any claim of
13 any fault, concession, or omission by Defendants or that class certification is proper under the
14 standard applied to contested certification motions. The Parties stipulate and agree to the
15 certification of the proposed class for settlement purposes only. The Parties further agree that this
16 Stipulation will not be admissible in this or any other proceeding as evidence that either (i) a class
17 action should be certified or (ii) Defendants are liable to Plaintiff or any Class Member, other
18 than according to the terms of this Stipulation.

19 52. Exhibits and Headings. The terms of this Stipulation include the terms set forth in
20 any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
21 The Exhibits to this Stipulation are an integral part of the Settlement. The descriptive headings of
22 any paragraphs or sections of this Stipulation are inserted for convenience of reference only.

23 53. Amendment or Modification. This Stipulation may be amended or modified only
24 by a written instrument signed by counsel for all Parties or their successors-in-interest.

25 54. Entire Agreement. This Stipulation and any attached Exhibits constitute the entire
26 agreement between the Parties, and no oral or written representations, warranties, or inducements
27 have been made to Plaintiff or Defendants concerning this Stipulation or its Exhibits other than
28 the representations, warranties, and covenants contained and memorialized in this Stipulation and

1 its Exhibits. No other prior or contemporaneous written or oral agreements may be deemed
2 binding on the Parties.

3 55. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
4 Counsel warrant and represent they are expressly authorized by the Parties whom they represent
5 to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken
6 by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other
7 documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel and
8 Defense Counsel shall cooperate with each other and use their best efforts to effect the
9 implementation of the Settlement. In the event the Parties are unable to reach agreement on the
10 form or content of any document needed to implement the Settlement, or on any supplemental
11 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may
12 seek the assistance of the Court and/or mediator Steven Serratore to resolve such disagreement.
13 The person(s) signing this Stipulation on behalf of Defendants represents and warrants that he/she
14 is authorized to sign this Stipulation on behalf of Defendants. Plaintiff represents and warrants
15 that he is authorized to sign this Stipulation.

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

20 57. Binding on Successors and Assigns. This Stipulation shall be binding upon, and
21 inure to the benefit of, the successors and assigns of the Parties.

22 58. California Law Governs. All terms of this Stipulation and the Exhibits hereto shall
23 be governed by and interpreted according to the laws of the State of California, without giving
24 effect to any law that would cause the laws of any jurisdiction other than the State of California to
25 be applied.

26 59. Counterparts. This Stipulation is subject only to the execution of all Parties. The
27 Stipulation may be executed in one or more counterparts. All executed counterparts and each of
28 them, including facsimile and scanned copies of the signature pages, will be deemed to be one

1 and the same instrument provided that counsel for the Parties will exchange among themselves
2 original signed counterparts.

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

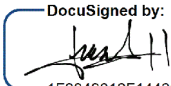
9 61. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the
10 Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement
11 of the terms of this Stipulation and all orders and judgments entered in connection therewith, and
12 the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for
13 purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation
14 and all orders and judgments entered in connection therewith.

15 62. Invalidity of Any Provision. Before declaring any term or provision of this
16 Stipulation invalid, the Parties request that the Court first attempt to construe the terms or
17 provisions valid to the fullest extent possible consistent with applicable precedents so as to define
18 all provisions of this Stipulation as valid and enforceable.

19 63. Binding Nature of Notice of Class Action Settlement. It is agreed that because the
20 Class Members are so numerous, it is impossible or impractical to have each Class Member
21 execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature of
22 the Settlement, and the release of Released Claims and shall have the same force and effect as if
23 this Stipulation were executed by each Class Member.

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Dated: 6/7/2019, 2019

DocuSigned by:

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Plaintiff Aldo Alpizar

Dated: _____, 2019

Defendant Adriana's Insurance Services, Inc.

By: _____

Dated: _____, 2019

Defendant Just Auto Insurance, Inc.

By: _____

Dated: _____, 2019

Defendant Adriana Gallardo Fregoso

Dated: _____, 2019

Defendant Leon Fregoso

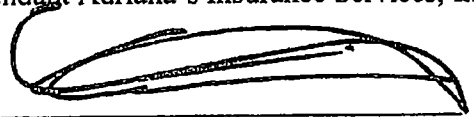
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Dated: _____, 2019

Plaintiff Aldo Alpizar

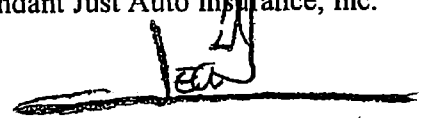
Dated: June 7, 2019

Adriana Gallardo
Defendant Adriana's Insurance Services, Inc.

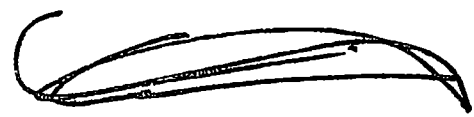
By: 

Dated: June 7, 2019

Leon Fregoso
Defendant Just Auto Insurance, Inc.

By: 

Dated: June 7, 2019


Defendant Adriana Gallardo Fregoso

Dated: June 7, 2019


Defendant Leon Fregoso

1 Approved as to form and content:

2
3 Dated: 6/7, 2019

MATERN LAW GROUP, PC

4
5 By: 

MATTHEW J. MATERN

6 LAUNA ADOLPH

7 KAYVON SABOURIAN

8 Attorneys for Plaintiffs Liset Viamontes and
Aldo Alpizar

9
10 DATED: _____, 2019

MICHELMAN & ROBINSON LLP

11
12 By: _____

13 MONA Z. HANNA

VINCENT S. LOH

14 Attorneys for Defendants Adriana's Insurance
15 Services, Inc., Just Auto Insurance Services,
16 Inc., Leon Fregoso, and Adriana Gallardo
17 Fregoso

1 Approved as to form and content:

2

3 Dated: _____, 2019

MATERN LAW GROUP, PC

4

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By: _____

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MATTHEW J. MATERN

7

LAUNA ADOLPH

8

KAYVON SABOURIAN

Attorneys for Plaintiffs Liset Viamontes and
Aldo Alpizar

9

10 DATED: June 10, 2019

MICHELMAN & ROBINSON LLP

11

12

By: _____

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MONA Z. HANNA

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VINCENT S. LOH

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Attorneys for Defendants Adriana's Insurance
Services, Inc., Just Auto Insurance Services,
Inc., Leon Fregoso, and Adriana Gallardo
Fregoso

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