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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF SAN BERNARDINO**

JOSE L. DIAZ, et al.

Plaintiffs,

v.

SANTA BARBARA TRANSPORTATION
CORPORATION, et al,

Defendants.

KRYSTLE SHAY, et al.

Plaintiffs,

v.

SANTA BARBARA TRANSPORTATION, et al.

DEIDRE R. CHILDRESS, et al.

Plaintiffs,

v.

SANTA BARBARA TRANSPORTATION, et al.

Defendants.

Lead Case No.: CIVDS1920120

Consolidated with:

Santa Barbara County Case No. 19CV04466

Los Angeles County Case No. 20STCV03328

Los Angeles County Case No. 20STCV12806

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

Honorable David Cohn
 Department S26

Santa Barbara County Superior Court
 Case No.: 19CV0446

Los Angeles County Superior Court
 Case No. 20STCV03328

DEIDRE R. CHILDRESS, et al.

Plaintiffs,

v.

SANTA BARBARA TRANSPORTATION
CORPORATION, et al.,

Defendants.

Los Angeles County Superior Court
Case No. 20STCV12806

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Attorneys for Plaintiff DEIDRE R. CHILDRESS

1 IT IS HEREBY STIPULATED, by and between the parties in the civil actions entitled
2 JOSE L. DIAZ, KRYSTLE SHAY, and DEIDRE R. CHILDRESS, individually, and on behalf
3 of all others similarly situated, (hereinafter “Plaintiffs”), on the one hand, and Defendants
4 SANTA BARBARA TRANSPORTATION CORPORATION and STUDENT
5 TRANSPORTATION OF AMERICA, INC. (hereinafter “Defendants”) (the “Plaintiffs
6 Action”), and subject to the approval of the Court, that the Action is hereby compromised and
7 settled pursuant to the terms and conditions set forth in this Joint Stipulation of Class Action
8 and PAGA Settlement and Release (“Agreement,” “Settlement,” or “Stipulation of
9 Settlement”) and that the Court shall make and enter judgment, subject to the continuing
10 jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set
11 forth herein which by this reference become an integral part of this Stipulation of Settlement.

12 **DEFINITIONS**

13 1. “Action” or “Plaintiffs’ Action” means the consolidated putative class and
14 representative actions entitled *Jose L. Diaz, Krystle Shay, and Deidre R. Childress, individually,*
15 *and on behalf of all others similarly situated v. Santa Barbara Transportation Corporation, et*
16 *al., San Bernardino County Superior Court Lead Case No. CIVDS1920120, consolidated with*
17 *Santa Barbara County Case No. 19CV04466; Los Angeles County Case No. 20STCV03328; Los*
18 *Angeles County Case No. 20STCV12806.*

19 2. “Class Counsel” means Zachary Crosner, Esq., Blake Jones, Esq. and Michael
20 Crosner, Esq. of CROSNER LEGAL, P.C.; Marcus Bradley, Esq. and Kiley Grombacher, Esq.
21 of BRADLEY/GROMBACHER, LLP; Sahag Majarian II, Esq. of LAW OFFICES OF SAHAG
22 MAJARIAN II; and, James Hawkins, Esq. and Gregory Mauro, Esq. of JAMES HAWKINS
23 APLC.

24 3. “Class Counsel Award” means the Court-approved attorneys’ fees for Class
25 Counsel’s litigation and resolution of the Action (not to exceed thirty-five percent [35%] of the
26 Maximum Settlement Amount), and the court approved costs incurred by Class Counsel in
27 connection with this Action.
28

1 4. “Class Information” or “Class Lists” means information regarding Class
2 Members that Defendants shall in good faith compile from its records and shall be authorized
3 by the Court to transmit in a secured manner to the Settlement Administrator. Class Information
4 shall be transmitted in Microsoft Excel format and shall include each Class Member’s: (i) full
5 name; (ii) last known address; (iii) Social Security number; and (iv) the number of work weeks
6 worked for Defendants in California as non-exempt employees during the Class Period.

7 5. “Class Members” or “Settlement Class” means all persons who have been
8 employed by Santa Barbara Transportation Company as non-exempt employees in the State of
9 California during the Class Period.

10 It shall be an opt-out class.

11 6. “Class Period” means the period of July 10, 2015 through preliminary approval
12 or sixty [60] days from full execution of this Agreement, whichever occurs first.

13 7. “Class Representative Service Awards” means the Court-approved amounts to be
14 paid to Plaintiff Jose Diaz in the amount of Seven Thousand And Five Hundred Dollars
15 (\$7,500.00), Plaintiff Krystle Shay in the amount of Seven Thousand And Five Hundred Dollars
16 (\$7,500.00), and Plaintiff Deidre Childress Seven Thousand And Five Hundred Dollars
17 (\$7,500.00), in addition to each Plaintiffs’ Individual Settlement Award, in recognition of
18 Plaintiffs’ efforts and risks in prosecuting the Action.

19 8. “Defendants” means Defendants Santa Barbara Transportation Corporation and
20 Student Transportation of America, Inc.

21 9. “Defense Counsel” means Christopher Decker, Esq. of Ogletree, Deakins, Nash,
22 Smoak & Stewart, P.C.

23 10. “Effective Date” means the date when all of the following events have occurred:
24 (i) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defense
25 Counsel; (ii) the Court has given preliminary approval to the Stipulation of Settlement; (iii) the
26 Notice of Class Action Settlement has been given to the putative members of the Settlement
27 Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement
28 or opt out of the settlement; (iv) the Court has held a Final Approval Hearing and entered a Final

1 Order and Judgment in the form of **Exhibit 3** to this Agreement; (v) any challenge to the Final
2 Order and Judgment by objection or appeal, is resolved in favor of enforcement of the Final
3 Order and Judgment; and, (vii) the time for any further appeal or review of the Final Order and
4 Judgment has expired.

5 11. "Employer's Share of Payroll Taxes" means Defendants' portion of payroll
6 taxes, including, but not limited to FICA and FUTA, on the portion of the Individual Settlement
7 Awards that constitutes wages.

8 12. "Final Approval Hearing" means the hearing to be conducted by the Court after
9 the filing by Plaintiffs of an appropriate motion and following appropriate notice to Class
10 Members giving Class Members an opportunity to request exclusion from the Settlement Class
11 and Settlement and to object to the Settlement, at which time Plaintiffs shall request that the
12 Court finally approve the Settlement, enter the Final Order and Judgment, and take other
13 appropriate action.

14 13. "Final Order and Judgment" means the order and judgment to be entered by the
15 Court upon granting final approval of the Settlement and this Stipulation of Settlement as binding
16 upon the Parties and Participating Class Members. A proposed Final Order and Judgment is
17 attached to this Agreement as **Exhibit 3**.

18 14. "Final Report" means the report to be prepared by the Settlement Administrator
19 (after the expiration of the 180-day period in which Participating Class Members must
20 cash/deposit their Individual Settlement Award payment checks) regarding the distribution of
21 the Maximum Settlement Amount, including the total amount that was cashed/deposited by
22 Participating Class Members and the total amount of any unpaid residue or unclaimed or
23 abandoned funds pursuant to California Code of Civil Procedure section 384.

24 15. "Individual PAGA Payment" means the amount payable from the PAGA
25 Payment to each Class Member.

26 16. "Individual Settlement Award" means the amount payable from the Net
27 Settlement Amount to each Participating Class Member.
28

1 17. “Maximum Settlement Amount” means the maximum amount Defendants shall
2 have to pay in connection with this Settlement, by way of a common fund, which shall be
3 inclusive of all Individual Settlement Awards to Participating Class Members, the Class
4 Counsel Award, the Class Representative Service Awards, PAGA Payment, and Settlement
5 Administration Costs. The Maximum Settlement Amount Defendants shall be required to pay
6 is Three Million Dollars (\$3,000,000).

7 18. “Net Settlement Amount” means the Maximum Settlement Amount, less the
8 Class Counsel Award, Class Representative Service Awards, PAGA Payment, and Settlement
9 Administration Costs.

10 19. “Notice of Objection” means a Class Member’s valid and timely submission of a
11 written objection to the Settlement. An objection should include: (a) the objector’s full name,
12 signature, address, telephone number, and the last four digits of his/her Social Security number,
13 (b) a written statement of all grounds for the objection accompanied by any legal support for
14 such objection, and (c) copies of any papers, briefs, or other documents upon which the objection
15 is based. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or
16 otherwise encourage or discourage Class Members from submitting a Notice of Objection or
17 filing an appeal from the Final Order and Judgment.

18 20. “PAGA Covered Employees” means all persons who have been employed by
19 Santa Barbara Transportation Company as non-exempt employees in the State of California
20 during the PAGA Covered Period.

21 21. “PAGA Covered Period” means the period of May 7, 2018 through preliminary
22 approval or sixty [60] days from full execution of this Agreement, whichever occurs first.

23 22. “PAGA Payment” means the amount of Two Hundred And Fifty Thousand
24 Dollars (\$250,000), subject to Court approval, to be paid from the Maximum Settlement
25 Amount for satisfaction of Plaintiffs’ and Class Members’ claims under the California Private
26 Attorneys’ General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”).
27 Pursuant to the PAGA, seventy five percent (75%) or One Hundred Eighty-Seven Thousand
28 Five Hundred Dollars (\$187,500) of this sum will be paid to the Labor and Workforce

1 Development Agency and twenty five percent (25%), or Sixty Two Thousand Five Hundred
2 Dollars (\$62,500) will be distributed as the Individual PAGA Payments to PAGA Covered
3 Employees.

4 23. "PAGA Release" or "PAGA Released Claims" means the release by the
5 California Labor Workforce Development Agency, and any persons purporting to act on its
6 behalf, including all PAGA Covered Employees, of all claims against any Release Party for
7 civil penalties recoverable under PAGA that arise out of or relate to the Released Claims, during
8 the PAGA Covered Period. In light of the binding nature of a PAGA judgment on non-party
9 employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), Class Members
10 employed by Defendants on or after May 7, 2018, who exclude themselves from this Settlement
11 shall remain PAGA Covered Employees, shall receive an Individual PAGA Payment directly
12 from the Settlement Administrator for the amount of each such individual's estimated share of
13 the PAGA Payment as calculated by the Settlement Administrator, and shall be bound by the
14 PAGA Release.

15 24. "Participating Class Members" means Plaintiffs and all other Class Members
16 who do not submit a valid and timely Request for Exclusion.

17 25. "Parties" means Plaintiffs and Defendants.

18 26. "Plaintiffs" means Plaintiffs Jose Diaz, Krystle Shay and Deidre Childress.

19 27. "Preliminary Approval Order" means the order to be issued by the Court
20 approving and authorizing the mailing of the Settlement Notice by the Settlement
21 Administrator, setting the date of the Final Approval Hearing and granting preliminary approval
22 of the Settlement set forth in this Stipulation of Settlement, among other things. A proposed
23 Preliminary Approval Order is attached to this Agreement as **Exhibit 2**.

24 28. "Released Claims" includes all claims, causes of action and factual or legal
25 theories that were alleged on behalf of the Class Members in Plaintiffs' consolidated Action, or
26 could have been alleged based on the facts and legal theories contained in the Action, including
27 all of the claims for relief asserted in any of the underlying Diaz, Shay, and/or Childress actions
28 and any other claims or penalties which were asserted or could have been asserted based on the

1 facts in the underlying actions and out of the violations of the California Labor Code, the
2 applicable Wage Orders, and/or the California Unfair Competition Law alleged in any of the
3 underlying actions based on the facts alleged therein. The definition of Released Claims shall
4 not be limited in any way by the possibility that Plaintiff or Class Members may discover new
5 facts, legal theories, or legal arguments not alleged in the operative complaint in the Action but
6 which might serve as an alternative basis for pursuing the same claims, causes of action, or legal
7 theories of relief falling within the definition of Release Claims. These Released Claims
8 expressly exclude claims for vested benefits, wrongful termination, unemployment insurance,
9 disability, social security, workers' compensation, and claims arising outside of the Class
10 Period.

11 29. "Released Parties" means Defendants and each of their present and former
12 predecessors, successors, parent companies, subsidiaries, divisions, related or affiliated
13 companies, and each of their shareholders, officers, directors, employees, agents, attorneys,
14 insurers, successors and assigns, and any individual or entity which could be liable for any of
15 the Released Claims.

16 30. "Released Claims Period" means from July 10, 2015 through preliminary
17 approval or sixty (60) days from full execution of this Agreement, whichever occurs first.

18 31. "Request for Exclusion" means a written statement submitted by a Class Member
19 indicating a request to be excluded from the Settlement. The Request for Exclusion must be in
20 writing and should: (i) be signed by the Class Member; (ii) contain the name, address, telephone
21 number, and the last four digits of the Social Security number of the Class Member requesting
22 exclusion; (iii) clearly state that the Class Member does not wish to be included in the
23 Settlement; (iv) be returned by fax or mail to the Settlement Administrator at the specific address
24 and/or facsimile number; and (v) be postmarked or faxed on or before the Response Deadline.
25 The date of the fax or postmark on the return mailing envelope will be the exclusive means to
26 determine whether a Request for Exclusion has been timely submitted. A Class Member who
27 does not request exclusion from the Settlement will be deemed a "Participating Class Member"
28 and will be bound by all terms of the Settlement, if the Settlement is granted final approval by the

1 Court. Any Class Member who validly requests to be excluded from the Settlement will no
2 longer be a member of the Settlement Class and will not have any right to object, appeal, or
3 comment on the Settlement, but will remain as a PAGA Covered Employee if employed on or
4 after May 7, 2018, and will receive an Individual PAGA Payment for the PAGA Released
5 Claims. No later than ten (10) calendar days after the Response Deadline, the Settlement
6 Administrator shall provide counsel for Defendants a complete list of all Class Members who
7 submitted a timely and valid Request for Exclusion.

8 32. "Response Deadline" means the deadline by which Class Members must
9 postmark or fax to the Settlement Administrator a valid Request for Exclusion, objection or
10 workweeks dispute. The Response Deadline will be forty-five (45) calendar days from the
11 initial mailing of the Settlement Notices by the Settlement Administrator unless the 45th day
12 falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to
13 the next day on which the U.S. Postal Service is open.

14 33. "Settlement" means the final and complete disposition of the Action pursuant to
15 this Stipulation of Settlement.

16 34. "Settlement Administrator" or "Administrator" means any third-party action
17 settlement administrator agreed to by the Parties and approved by the Court for purposes of
18 administering this settlement. The Parties each represent that they will not have any financial
19 interest in the Settlement Administrator or otherwise have a relationship with the Settlement
20 Administrator that could create a conflict of interest.

21 35. "Settlement Administration Costs" means the reasonable costs and fees of
22 administering the Settlement to be paid from the Maximum Settlement Amount, not to exceed the
23 reasonable estimate of the Settlement Administrator, including, but not limited to: (i) printing,
24 mailing and re-mailing (if necessary) of Settlement Notices to Class Members; (ii) preparing and
25 submitting to Class Members and government entities all appropriate tax filings and forms; (iii)
26 computing the amount of and distributing Individual Settlement Awards, the Class Representative
27 Service Awards, the Class Counsel Award; (iv) processing and validating Requests for Exclusion;
28 (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vi)

calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; and (vii) transmitting uncashed Individual Settlement Award payments to State Controller's Office, Unclaimed Property Division in the name of all Class Members who did not cash their check to be held on behalf of the Class Members.

36. "Settlement Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member containing: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definitions; (iv) the total number of Workweeks the respective Class Member worked for Defendants (according to Defendants' records); (v) the Class Member's estimated Individual Settlement Award and the formula for calculating Individual Settlement Awards; (vi) the dates which comprise the Class Period; (vii) instructions on how to submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the Action.

37. "Workweeks" means the number of Workweeks worked by each Class Member for Defendants as an hourly paid employee during the Class Period. All Class Members will be entitled to payment for at least one Workweek.

38. "Workweek Dispute" means a written statement that a Class Member disputes the number of Workweeks listed on his/her Settlement Notice. Any such Workweek Dispute must be faxed or mailed to the Settlement Administrator by the Response Deadline. The date of the fax or postmark on the mailing envelope will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member's full name, signature, address, telephone number, and the last four digits of his/her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her contention. The dates of employment identified for each Class Member in the applicable Class Lists will be presumed to be

correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator and the Settlement Administrator's decision on all Workweek Disputes will be final and non-appealable.

39. "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth herein.

40. "Workweek Verification" means Defendants certifies that the estimated number of workweeks for all class members from July 10, 2015, to December 11, 2020, is 218,845 ("Certified Workweek Amount"). Defendants shall provide a declaration verifying the number of Class Members and total workweeks worked by them collectively during the Class Period. If the actual number of weeks worked by the Class Members between July 10, 2015, and December 11, 2020 in which they were classified by the Company as non-exempt employees of the Company exceeds 110% of 218,845, Plaintiffs shall have the right in their sole discretion to revoke this Settlement and the parties will return to the position they held before they entered into this Agreement, as if they had never entered into this Agreement. Plaintiffs shall be required to pay any costs of administration incurred if they choose to void this Agreement pursuant solely to this Paragraph.

RECITALS

41. Procedural History.

a. On June 19, 2019, Plaintiff Krystle Shay submitted the PAGA Notice to the LWDA for the purpose of complying with Labor Code §2699.3's notice requirement, giving notice of Plaintiff's intentions to file the Action.

b. On January 27, 2020, Plaintiff Deidre Childress submitted the PAGA Notice to the LWDA for the purpose of complying with Labor Code §2699.3's notice requirement, giving notice of Plaintiff's intentions to file the Action.

c. On July 10, 2019, Plaintiff Jose Diaz filed a class action case entitled *Jose L. Diaz v. Santa Barbara Transportation Corporation, et al.* (San Bernardino County Case No. CIVDS1920120) (the "Diaz Action").

d. On August 21, 2019, Plaintiff Krystle Shay filed a class action case entitled *Krystle Shay v. Santa Barbara Transportation Corporation, et al.* (Santa Barbara County Case No. 19CV0446) (the “Shay” Action).

e. January 27, 2020, Plaintiff Deidre Childress filed a class action case entitled *Deidre Childress v. Santa Barbara Transportation Corporation, et al.* (Los Angeles County Case No. 20STCV03328).

f. January 27, 2020, Plaintiff Deidre Childress filed a PAGA case entitled *Deidre Childress v. Santa Barbara Transportation Corporation, et al.* (Los Angeles County Case No. 20STCV12806).

g. On October 20, 2020, Plaintiffs Diaz, Shay and Childress filed a consolidated class action complaint alleging the following causes of action: (1) Unpaid minimum wages and liquidated damages; (2) Unpaid overtime; (3) Defendants’ failure to provide meal periods or compensation in lieu thereof; (4) Defendants’ failure to provide rest periods or compensation in lieu thereof; (5) Defendants’ failure to provide accurate wage statements; (6) Defendants’ failure to pay split-shift premiums; (7) Waiting time penalties; (8) Violation of California *Business and Professions* Code 17200, et seq.; and (9) Violation of Private Attorneys General Act Labor Code 2699, et seq.

h. On February 1, 2021, Plaintiffs and Defendants mediated Plaintiffs’ Action in a full-day of arms-length mediation before mediator, Michael Dickstein, Esq., and reached a global, non-reversionary, all-in class action settlement of Three Million Dollars (\$3,000,000), which is now confirmed in this long form settlement agreement (“Agreement” or “Settlement Agreement”).

42. Benefits of Settlement to Plaintiffs and the Class Members. Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs’ disputes in the Action through trial and through any possible appeals. Plaintiffs also have taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both

generally and in response to Defendants' defenses thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought in the Action. Plaintiffs and Class Counsel also have taken into account Defendants' agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the Settlement set forth in this Stipulation of Settlement is fair, adequate, and reasonable and is in the best interests of all Class Members.

43. Defendants' Reasons for Settlement. Defendants have concluded that further defense of the Action would be protracted and expensive. Substantial amounts of Defendants' time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiffs. Defendants have also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendants contend they are not liable for any of the claims alleged by Plaintiffs in the Action and deny any liability whatsoever, Defendants, nonetheless, have agreed to settle in the manner and upon the terms set forth in this Stipulation of Settlement and to fully and finally put to rest the claims alleged in this Action. Defendants have asserted and continue to assert that the claims alleged by Plaintiffs have no merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Stipulation of Settlement is a compromise of disputed claims. Nothing contained in this Stipulation of Settlement, no documents referred to herein, and no action taken to carry out this Stipulation of Settlement, shall be construed or used as an admission by or against Defendants as to the merits or lack thereof of the claims asserted in the Action. Defendants contend that they have complied with all applicable state, federal and local laws. In the event this Settlement does not obtain final approval, each of Defendants retain all rights it has to defend itself in this matter and to take any actions in defense of itself that are available to it.

CLASS CERTIFICATION

44. Solely for purposes of settling the Action, and not for purposes of class certification should the Settlement not be approved or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement

1 Class have been met and are met. More specifically, for purposes of settlement only, the Parties
2 stipulate and agree that:

3 a. The Settlement Class is ascertainable and so numerous as to make it
4 impracticable to join all Class Members;

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

7 i. Whether Defendants failed and continue to fail to provide appropriate
8 wages to members of the Putative Class;

9 ii. Whether Defendants failed and continue to fail to provide meal
10 periods to the members of the Putative Class in violation of the
11 California Labor Code and IWC Wage Orders;

12 iii. Whether Defendants failed and continue to fail to provide rest periods
13 to the members of the Putative Class in violation of the California
14 Labor Code and IWC Wage Orders;

15 iv. Whether the members of the Putative Class that are no longer
16 employed by the Defendants are entitled to penalties pursuant to
17 California Labor Code §203;

18 v. Whether Plaintiffs and the members of the Putative Class sustained
19 damages, and if so, the proper measure of such damages, as well as
20 interest, penalties, costs, attorneys' fees, and equitable relief;

21 vi. Whether Defendants failed to pay Plaintiffs and the members of the
22 Putative Class wages for all hours worked;

23 vii. Whether Defendants failed to issue appropriate wage statements to
24 Plaintiffs and the members of the Putative Class;

25 viii. Whether Defendants failed to provide appropriate pay when Plaintiffs
26 and members of the Putative Class worked split shifts; and

27 ix. Whether Defendants' conduct as alleged herein violates the Unfair
28 Business Practices Act of California, Business and Professions Code

§ 17200, et seq..

c. Class Representatives' claims are typical of the claims of the Settlement Class;

d. Class Representatives and Class Counsel will fairly and adequately protect the interests of the Settlement Class;

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

f. Questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual Class Member, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

45. Should this Settlement not be approved or be terminated, all stipulations set forth in the immediately preceding Paragraph shall be null and void and shall not be admissible for any purpose whatsoever.

TERMS OF SETTLEMENT

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

46. Binding Settlement. This Settlement shall bind the Parties and all Participating Class Members and Participating PAGA Members, subject to the terms and conditions hereof and the Court's approval.

47. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members, Participating PAGA Members and Class Counsel understand and agree that they shall be solely and legally responsible for the payment of all applicable taxes and penalties assessed on the payments specified herein.

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

16 49. Preliminary Approval of Settlement. Class Counsel shall reserve an available date
17 for a hearing on Plaintiffs' Motion for Preliminary Approval so that the Parties may request
18 provisional certification of the Settlement Class for settlement purposes only and the setting of a
19 Final Approval Hearing date. Class Counsel shall provide the Motion for Preliminary Approval
20 to Counsel for Defendants for review and approval at least three court days prior to the deadline
21 for filing the motion with the Court. The Parties agree to work diligently and cooperatively to
22 have this Settlement presented to the Court for preliminary approval. The proposed Order
23 granting Plaintiffs' Motion for Preliminary Approval is attached to this Agreement as **Exhibit**
24 **2.**

25 50. Release by All Participating Class Members. All Participating Class Members,
26 including Plaintiffs, shall be deemed to have released their respective Released Claims against the
27 Released Parties upon the date on which the payment of the Maximum Settlement Amount is
28 made by Defendants. Plaintiffs and Class Members who do not request exclusion will be deemed

1 to have fully, finally and forever released, settled, compromised, relinquished, and discharged
2 with respect to all of the Released Parties for any and all Released Claims that accrued during the
3 Released Claims Period. The Settlement Class and each Class Member who has not submitted a
4 valid Request for Exclusion, fully releases and discharges the Released Parties for the Released
5 Claims for any period during the Released Claims Period.

6 51. PAGA Release by PAGA Covered Employees. All PAGA Covered
7 Employees, shall be deemed to have released their respective PAGA Released Claims, against
8 the Released Parties upon the date on which the payment of the Maximum Settlement Amount is
9 made by Defendants. It is understood that PAGA Covered Employees will not have the
10 opportunity to opt out of, or object to, the PAGA Release. Further, the PAGA Covered
11 Employees are bounded by the PAGA Release regardless of whether they cash and/or otherwise
12 negotiate their Individual PAGA Payment.

13 52. Additional Release and Waiver of Claims by Plaintiffs. In addition to the release
14 of Released Claims against the Released Parties made by all Participating Class Members, as set
15 forth above, each of Plaintiffs, in their individual capacity, agrees to release the Released Parties
16 from any and all claims, actions, charges, complaints, grievances and causes of action, of
17 whatever nature, known and unknown, which exist or may exist on Plaintiff's behalf as of the date
18 of this Agreement, including but not limited to any and all tort claims, contract claims, wage
19 claims, wrongful termination claims, disability claims, benefit claims, public policy claims,
20 retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of
21 privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims
22 arising under federal, state and/or local law, statute, ordinance, regulation, common law, or other
23 source of law, including but not limited to claims arising from or related to their employment with
24 Defendants and their compensation while an employee of the Defendants ("Plaintiffs' Released
25 Claims").

26 53. Plaintiffs' Released Claims include all claims, whether known or unknown.
27 Even if a Plaintiff discovers facts in addition to or different from those that he or she now
28 knows or believes to be true with respect to the subject matter of Plaintiffs' Released Claims,

1 those claims will remain released and forever barred. To effect a full and complete general
2 release as described above, each of Plaintiffs expressly waives and relinquishes all rights and
3 benefits of section 1542 of the Civil Code of the State of California, and does so understanding
4 and acknowledging the significance and consequence of specifically waiving section 1542.
5 Section 1542 of the Civil Code of the State of California states as follows:

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

11 Thus, notwithstanding the provisions of section 1542, and to implement a full and
12 complete release and discharge of the Released Parties, each of Plaintiffs expressly acknowledges
13 this Stipulation of Settlement is intended to include in its effect, without limitation, all claims he
14 or she does not know or suspect to exist in his or her favor at the time of signing this Stipulation
15 of Settlement, and that this Stipulation of Settlement contemplates the extinguishment of any such
16 claims. Each of Plaintiffs warrants that he or she has read this Stipulation of Settlement, including
17 this waiver of California Civil Code section 1542, and that he or she has consulted with or had the
18 opportunity to consult with counsel of his or her choosing about this Stipulation of Settlement and
19 specifically about the waiver of section 1542, and that he or she understands this Stipulation of
20 Settlement and the section 1542 waiver, and so freely and knowingly enters into this Stipulation
21 of Settlement. Each of Plaintiffs further acknowledges that he or she later may discover claims or
22 facts different from or in addition to those he or she now knows or believes to be true regarding
23 the matters released or described in this Stipulation of Settlement, and even so he or she agrees
24 that the releases and agreements contained in this Stipulation of Settlement shall remain effective
25 in all respects notwithstanding any later discovery of any different or additional facts. Each of
26 Plaintiffs expressly assumes any and all risk of any mistake in connection with the true facts
27 involved in the matters, disputes, or controversies released or described in this Stipulation of
28 Settlement or with regard to any facts now unknown to him or her relating thereto. The Parties

1 further acknowledge, understand and agree that this representation and commitment is essential to
2 the Agreement and that this Agreement would not have been entered into were it not for this
3 representation and commitment.

4 54. Plaintiff Shay Less Than 40 Years Old. Plaintiff Krstyle Shay represents and
5 warrants that, at the time her employment with Defendants ended, she was less than 40 years old.
6 Plaintiff Shay understands that this representation is a material element of this Settlement and that,
7 had she not provided this representation, Defendants would have required additional terms to this
8 Settlement in order to obtain an enforceable waiver of any claims she might have under the Age
9 Discrimination in Employment Act ("ADEA"), as amended by the Older Workers' Benefit
10 Protection Act of 1990 (29 U.S.C. §§ 621, et seq.).

11 55. Plaintiffs Childress and Diaz's Right to Revoke: Each of Plaintiffs Deidre
12 Childress and Jose Diaz acknowledges that he or she is knowingly and voluntarily waiving and
13 releasing any rights he or she may have under the Age Discrimination in Employment Act of
14 1967 ("ADEA"). He or she also acknowledges that the Class Representative Service Award to
15 him is in addition to anything of value to which he or she was already entitled. Each of Plaintiffs
16 Childress and Diaz further acknowledges that he or she has been advised by this writing, as
17 required by the Older Workers' Benefit Protection Act, that: (a) his or her waiver and release of
18 Plaintiffs' Released Claims does not apply to any rights or claims that may arise after the
19 Effective Date of this Agreement; (b) he or she should consult with an attorney prior to executing
20 this Agreement; (c) he or she has at least twenty-one (21) days to consider this Agreement
21 (although he or she may by his own choice execute this Agreement earlier); (d) he or she has
22 seven (7) days following the execution of this Agreement to revoke the Agreement; and (e) this
23 Agreement shall not be effective earlier than the next business day following the expiration of this
24 7-day revocation period. Each of Plaintiffs Childress and Diaz may revoke this Agreement only
25 by giving the Defendants formal, written notice of his or her revocation of this Agreement,
26 addressed to: Christopher W. Decker, Esq., Ogletree Deakins P.C., 400 South Hope Street, 12th
27 Floor, Los Angeles, CA 90071; fax: 213-239-9045, to be received by the Defendants by the close
28 of business on the seventh day following the Plaintiff's execution of this Agreement.

1 56. Settlement Administration.

2 a. Within fifteen (15) calendar days of entry of the Preliminary Approval
3 Order, Defendants shall provide the Settlement Administrator with the Class Lists for purposes
4 of mailing the Settlement Notices to Class Members. The Settlement Administrator shall not be
5 permitted to share any Class Information included in the Class Lists with Plaintiffs or Class
6 Counsel absent express approval by Defendants or Defense Counsel.

7 i. Notice by First Class U.S. Mail. Upon receipt of the Class Lists, the
8 Settlement Administrator shall perform a search based on the National Change of Address
9 Database maintained by the United States Postal Service to update and correct any known or
10 identifiable address changes. Within fifteen (15) calendar days after receiving the Class Lists from
11 Defendants as provided herein, the Settlement Administrator shall mail copies of the Settlement
12 Notice to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall
13 exercise its best judgment to determine the current mailing address for each Class Member. The
14 address identified by the Settlement Administrator as the current mailing address shall be presumed
15 to be the most current mailing address for each Class Member. The Parties agree that this
16 procedure for notice provides the best notice practicable to Class Members and fully complies with
17 due process.

18 ii. Undeliverable Settlement Notices. Any Settlement Notice returned
19 to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be
20 re-mailed to the forwarding address affixed thereto within five (5) calendar days of receipt of the
21 returned Settlement Notice by the Settlement Administrator. If no forwarding address is
22 provided, the Settlement Administrator shall attempt to determine a correct address by the use of
23 skip-tracing, or other type of automated search, using the name, address and/or Social Security
24 number of the Class Member involved, and shall then perform a re-mailing to the Class Member
25 whose Settlement Notice was returned as non-deliverable within five (5) calendar days of receipt
26 of the returned Settlement Notice by the Settlement Administrator, assuming another mailing
27 address is identified by the Settlement Administrator. Class Members who are sent a re-mailed
28 Settlement Notice shall have their Response Deadline extended by ten (10) calendar days from the

1 date the Settlement Administrator re-mails the Settlement Notice. If these procedures are
2 followed, notice to Class Members shall be deemed to have been fully satisfied, and if the
3 intended recipient of the Settlement Notice does not receive the Settlement Notice, the intended
4 recipient shall nevertheless remain a Class Member and shall be bound by all terms of the
5 Settlement and the Final Order and Judgment.

6 iii. Determination of Individual Settlement Awards and Individual
7 PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the
8 amounts of, each Individual Settlement Award and Individual PAGA Payment under the terms of
9 this Stipulation of Settlement. The Settlement Administrator's determination of the eligibility for
10 and amount of each Individual Settlement Award and Individual PAGA Payment shall be binding
11 upon the Class Members and the Parties. In the absence of fraud or gross negligence, Defendants'
12 workweek estimates shall be presumed accurate.

13 iv. Disputes Regarding Administration of Settlement. Any dispute
14 not resolved by the Settlement Administrator concerning the administration of the Settlement
15 shall be resolved by the Court.

16 b. Monitoring and Reviewing Settlement Administration. The Parties have
17 the right to monitor and review the administration of the Settlement to verify that the monies
18 allocated under the Settlement are distributed in the correct amount, as provided for in this
19 Stipulation of Settlement. The Settlement Administrator shall not disclose to Class Counsel or
20 Counsel for Defendants any personally-identifying information regarding Class Members or
21 PAGA Covered Employees, except as expressly authorized in this Agreement.

22 c. Certification Reports Regarding Individual Settlement Award Calculations.
23 The Settlement Administrator will provide Defense counsel and Class Counsel a weekly report
24 which certifies: (i) the number of Class Members who have submitted valid Requests for
25 Exclusion or objections; and (ii) whether any Class Member has submitted a challenge to any
26 information contained in their Settlement Notice, including but not limited to the number of
27 Class Members from the Settlement Class who have submitted a dispute of Workweeks.
28 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated

1 reports regarding the administration of the Settlement Agreement as needed or requested.

2 d. Best Efforts. The Parties agree to use their best efforts to carry out the
3 terms of this Settlement.

4 57. Funding and Allocation of Maximum Settlement Amount. The Maximum
5 Settlement Amount shall be paid by Defendants in one lump sum payment within fifteen (15)
6 calendar days after the Effective Date. Defendants shall provide the Maximum Settlement Amount
7 to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a
8 wire transfer. If this Settlement is not finally approved by the Court in full, or is terminated,
9 rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not
10 occur, then no portion of the Maximum Settlement Amount shall be paid.

11 a. Payments to the Settlement Class. Class Members shall not be required
12 to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of
13 the Maximum Settlement Amount shall revert to Defendants or result in an unpaid residue. The
14 Settlement Administrator shall first compute the Net Settlement Amount by deducting from the
15 Maximum Settlement Amount approved by the Court: (i) the Class Counsel Award, (ii) Class
16 Representative Service Awards, (iii) PAGA Payment, and (iv) Settlement Administration Costs.
17 To the extent the Court does not approve the full requested attorneys' fees, litigation costs,
18 enhancement payments or settlement administration costs, the Net Settlement Amount will
19 increase accordingly, by the difference between the requested amount and the amount awarded
20 by the Court.

21 i. Individual Settlement Award: From the Net Settlement Amount,
22 the Settlement Administrator will calculate each Individual Settlement Award by dividing the
23 Net Settlement Amount by the total number of Workweeks for the Class Period resulting in the
24 Workweek Value and then multiplying the Workweek Value by the number of Workweeks
25 worked by each Class Member. All Class Members will be entitled to payment for at least one
26 Workweek. Defendants will provide the total number of Workweeks for each Class Member to
27 the Settlement Administrator. The Settlement Administrator will calculate the number of
28 Workweeks worked by the Class Members during the Class Period and the Individual

1 Settlement Awards to eligible Class Members. All Workweek Disputes will be resolved and
2 decided by the Settlement Administrator and the Settlement Administrator's decision on all
3 Workweek Disputes will be final and non-appealable.

4 ii. Individual PAGA Payment: The Settlement Administrator will
5 calculate each PAGA Covered Employee's Individual PAGA Payment by dividing the 25% of
6 the PAGA Payment to be distributed to PAGA Covered Employees, i.e. \$62,500, by the total
7 number of weeks worked during the PAGA Covered Period by the PAGA Covered Employees
8 collectively, resulting in the PAGA Workweek Value; and then multiplying the PAGA
9 Workweek Value by the number of Workweeks worked by each PAGA Covered Employee
10 during the PAGA Covered Period. All Class Members will be entitled to payment for at least
11 one Workweek.

12 iii. Each Participating Class Member's Individual Settlement Award
13 and each PAGA Covered Employee's Individual PAGA Payment shall be calculated solely by
14 the Settlement Administrator using Defendants' Workweek data. Defendants' Workweek data
15 will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims
16 Administrator by credible evidence. All Workweek Disputes will be resolved and decided by
17 the Claims Administrator and the Claims Administrator's decision on all Workweek Disputes
18 will be final and non-appealable.

19 iv. Individual Settlement Award and Individual PAGA Payments
20 shall be mailed by the Settlement Administrator by regular First-Class U.S. Mail to each
21 Participating Class Member's last known mailing address within ten (10) calendar days after
22 Defendants provides the Settlement Administrator with the Maximum Settlement Amount.
23 Prior to mailing the Individual Settlement Awards and the Individual PAGA Payments, the
24 Settlement Administrator shall perform a search based on the National Change of Address
25 Database maintained by the United States Postal Service to update and correct any known or
26 identifiable address changes.

27 v. Should any of the following occur, the Settlement Administrator
28 will proportionately increase the estimated Individual Settlement Award of each Participating

1 Class Member to ensure that the entire Net Settlement Amount is distributed to Participating
2 Class Members: (i) any Class Members submit timely and valid, or otherwise accepted,
3 Requests for Exclusion following the provision of Settlement Notices and expiration of the
4 Response Deadline; (ii) the Court approves the Class Representative Service Awards in
5 amounts less than those requested by Plaintiffs, as detailed herein; (iii) the Court approves a
6 Class Counsel Award in an amount less than that requested by Plaintiffs, as detailed herein;
7 and/or (iv) the Court approves Settlement Administration Costs in an amount less than that
8 requested by Plaintiffs, as detailed herein.

9 vi. Individual Settlement Award payments and Individual PAGA
10 Payments shall be made by check and shall be made payable to each Participating Class
11 Member as set forth in this Stipulation of Settlement.

12 vii. Individual Settlement Awards shall be allocated as follows:
13 twenty percent (20%) as alleged unpaid wages subject to all applicable tax withholdings, and
14 eighty percent (80%) as alleged unpaid interest and unpaid penalties. The Settlement
15 Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion
16 of each Individual Settlement Award payment allocated as alleged unpaid wages and subject to
17 all applicable tax withholdings, and shall remit and report such withholdings to the relevant
18 taxing authorities. The Settlement Administrator shall issue an IRS Form 1099 to each Class
19 Member for the portion of each Individual Settlement Award and for the Individual PAGA
20 Payment allocated as alleged unpaid non-wage penalties and interest and not subject to payroll
21 tax withholdings. The Settlement Administrator shall calculate the amount of the Employer's
22 Share of Payroll Taxes and shall remit and report the applicable portions of the payroll tax
23 payment to the appropriate taxing authorities in a timely manner. Defendants will be responsible
24 for paying its share of the Payroll Taxes and this amount will not be deducted from the
25 Maximum or Net Settlement Amount.

26 viii. After the expiration of the 180-day period, the Settlement
27 Administrator will prepare the Final Report regarding the distribution of the Maximum
28 Settlement Amount, including the total amount that was cashed/deposited by Participating Class

Members and the total amount of any uncashed settlement checks pursuant to California Code of Civil Procedure section 384. After the Final Report is filed, the total amount of any uncashed settlement checks will be transmitted by the Settlement Administrator to the State Controller's Office, Unclaimed Property Division in the name of all Class Members who did not cash their check.

ix. In the event a Class Member fails to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA Payment check, the Participating Class Member shall nevertheless remain bound by the Settlement.

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

b. Class Representative Service Awards. For the purposes of this Settlement only, the Parties agree to the designation of Plaintiffs Jose Diaz, Krystle Shay and Deidre Childress as Class Representatives. In recognition of their time and effort in bringing and presenting the Action and for releasing their Released Claims, Plaintiffs shall request Class

1 Representative Service Awards not to exceed Seven Thousand Five Hundred Dollars (\$7,500)
2 to Jose Diaz, Seven Thousand Five Hundred Dollars (\$7,500) to Krystle Shay and Seven
3 Thousand Five Hundred Dollars (\$7,500) to Deidre Childress. Plaintiffs' request for such Class
4 Representative Service Awards shall be subject to approval from the Court. Defendants agrees
5 not to oppose or object to Plaintiffs' request for Class Representative Service Awards in an
6 amount not to exceed this amount. The Class Representative Service Awards will be in addition
7 to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. The Settlement
8 Administrator shall issue an IRS Form 1099 to Plaintiffs for their Class Representative Service
9 Awards. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on
10 their Class Representative Service Awards. In the event that the Court reduces or does not
11 approve the requested Class Representative Service Awards, neither Plaintiffs nor Class
12 Counsel shall have the right to revoke the Settlement, or to appeal such order, and the
13 Settlement will remain binding. Any amount requested by Plaintiffs for the Class
14 Representative Service Awards and not awarded by the Court shall become part of the Net
15 Settlement Amount and shall be distributed to Participating Class Members as part of their
16 Individual Settlement Awards.

17 c. Class Counsel Award. Class Counsel shall be entitled to request attorneys'
18 fees in an amount not to exceed thirty-five percent (35%) of the Maximum Settlement Amount,
19 which amounts to One Million Fifty Thousand Dollars (\$1,050,000). In addition, Class Counsel
20 shall also be entitled to request an award of costs associated with Class Counsel's prosecution of
21 the Action in an amount as documented in Class Counsel's billing statement and supported by
22 declaration subject to approval from the Court. Defendants agrees not to oppose or object to
23 Class Counsel's request for attorneys' fees or to Counsel's request for attorneys' costs. in the
24 event the Court reduces or does not approve the requested Class Counsel Award, neither
25 Plaintiffs nor Class Counsel shall have the right to revoke the Settlement or to appeal such
26 order, the Settlement shall remain binding, and the difference between the requested Class
27 Counsel Award and the amount awarded by the Court shall become part of the Net Settlement
28 Amount and shall be distributed to Participating Class Members as part of their Individual

1 Settlement Awards. Class Counsel shall be solely and legally responsible to pay all applicable
2 taxes on the Class Counsel Award. Class Counsel shall provide the Settlement Administrator with
3 properly completed and signed copies of IRS Form W-9 in order for the Settlement Administrator
4 to process the Class Counsel Award approved by the Court. The Settlement Administrator shall
5 issue an IRS Form 1099 to Class Counsel for the Class Counsel Award.

6 58. Settlement Administration Costs. The Settlement Administration fees and
7 expenses, which are estimated not to exceed the estimate of the Settlement Administrator to
8 administer this settlement, shall be paid from the Maximum Settlement Amount. Prior to
9 Plaintiffs filing a Motion for Final Approval of the Settlement, the Settlement Administrator
10 shall provide the Parties with a statement detailing the Settlement Administration Costs to date.
11 The Parties agree to cooperate in the Settlement Administration process and to make all
12 reasonable efforts to control and minimize Settlement Administration Costs.

13 i. The Parties each represent they do not have any financial interest
14 in the Settlement Administrator or otherwise have a relationship with the Settlement
15 Administrator that could create a conflict of interest.

16 ii. The Settlement Administrator shall keep the Parties timely
17 apprised of the performance of all Settlement Administrator responsibilities required by the
18 Settlement. The Settlement Administrator shall be authorized to establish a Qualified
19 Settlement Fund (“QSF”) pursuant to IRS rules and regulations in which the Maximum
20 Settlement Amount shall be placed and from which payments required by the Settlement shall
21 be made.

22 59. Payroll Taxes. In accordance with this Settlement and to the fullest extent
23 possible, the Maximum Settlement Amount shall resolve, satisfy and completely extinguish
24 all of Defendants’ liability with respect to the Class Members, except that the Defendants
25 shall solely be responsible for the employer portion of the payroll taxes on the portion of the
26 Individual Settlement Awards that constitutes wages and these taxes shall be paid by the
27 Defendants in addition to the Maximum Settlement Amount. Upon the transfer of the
28 Maximum Settlement Amount and the employer portion of payroll taxes on the portion of the

Individual Settlement Awards that constitutes wages, Defendants shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

60. Final Settlement Approval Hearing and Entry of Final Order and Judgment.

Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Class Counsel Award; and (ii) the Class Representative Service Awards. Prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiffs with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval.

61. Notice of Settlement and Judgment to LWDA. Defendant's Counsel will (i) provide notice of this Agreement and proposed settlement to the Labor Workforce Development Agency ("LWDA") as required by Labor Code section 2699(l)(2), (ii) submit to the LWDA the court's judgment that provides for an award or civil penalties under PAGA as required by Labor Code section 2699(l)(3).

62. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiffs' Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order scheduling a fairness hearing on the question of whether the proposed settlement, including payment of attorneys' fees and costs, the Class Representatives' Service Award payments, and the PAGA Payment, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class. As part of Plaintiffs' Motion for Preliminary Approval, Plaintiffs shall also apply to the Court for the entry of an Order in the form of **Exhibit 2** to this Agreement.

63. Duties of the Parties Following Final Approval. Class Counsel shall prepare a Motion for Final Approval and shall provide it to Counsel for Defendants for review and approval at least three court days prior to the deadline for filing the motion with the Court. In connection with the Motion for Final Approval, Class Counsel will submit a proposed Final Order of Approval and Judgment in the form of **Exhibit 3** to this Agreement.

64. Revocation of Settlement by Defendants. If Class Members representing more than an aggregate total of five percent (5%) of the weeks worked by all Class Members, collectively, submit a valid Request for Exclusion Defendants shall have the right, in their sole and absolute discretion, to rescind/void this Settlement Agreement and their stipulation to class certification within twenty (20) days after receiving from the Settlement Administrator the final list of opt-outs. Defendants agrees to meet and confer in good faith with Class Counsel before rescinding or voiding the Settlement Agreement. In the event that Defendants elects to rescind/void the Settlement Agreement, it shall provide written notice of such rescission to Class Counsel. Such rescission shall have the same effect as a termination of this Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect, and the Settlement Class certified pursuant to this Settlement Agreement will be decertified for all purposes. If Defendants chooses to terminate this Settlement Agreement solely under this provision, it shall be responsible to pay the Settlement Administrator's fees and costs incurred to that point.

65. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary Approval Order in the form of **Exhibit 2** to this Agreement ; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment in the form of **Exhibit 3** to this Agreement; or (iv) the Settlement does not become final for any other reason, this Stipulation of Settlement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and this Stipulation of Settlement and any documents related to it shall not be used by any Class Member or Class Counsel to support any claim or request for class certification in the Action, and shall not be used in any other civil, criminal or administrative

1 action against Defendants or any of the other Released Parties. Additionally, should the
2 Settlement not become final for any reason, the Parties will request that the Court reopen
3 proceedings within thirty (30) calendar days, and any Settlement Administration Costs already
4 incurred by the Settlement Administrator shall be split evenly amongst the Parties. If
5 Defendants elects to revoke the Settlement, as specified in Paragraph 53, the Parties and any
6 monies required to be paid under this Settlement shall be returned to their respective statuses as
7 of the date and time immediately prior to the execution of this Stipulation of Settlement, and the
8 Parties shall proceed in all respects as if this Stipulation of Settlement had not been executed,
9 except that any Settlement Administration Costs already incurred by the Settlement
10 Administrator shall be paid to the Settlement Administrator by Defendants. In the event an
11 appeal is filed from the Court's Final Order and Judgment, or any other appellate review is
12 sought, administration of the Settlement shall be stayed pending final resolution of the appeal or
13 other appellate review and the stay shall only be lifted if the end result of the appeal or other
14 proceeding is that the terms of this settlement agreement are upheld.

15 66. Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree that by signing this
16 Settlement Agreement, they will be bound by the terms herein. Plaintiffs further agree that, upon
17 signing this Settlement Agreement, they will not request to be excluded from this Settlement
18 and that any such request for exclusion by Plaintiffs will be void and of no force or effect.

19 67. Waiver of Certain Appeals. Either party may appeal any court order that
20 materially alters the Settlement Agreement's terms. Notwithstanding the foregoing, in the event
21 the Court reduces or does not approve the requested Class Counsel Award or Class
22 Representative Service Awards, or PAGA Payment neither Plaintiffs nor Class Counsel shall
23 have the right to revoke the Settlement or to appeal such order, and the Settlement shall remain
24 binding.

25 68. No Admission by Defendants. Defendants denies all claims alleged in this Action
26 and denies all wrongdoing whatsoever by Defendants. Neither this Stipulation of Settlement, nor
27 any of its terms and conditions, nor any of the negotiations connected with it, is a concession or
28 admission, and none shall be used against Defendants as an admission or indication with respect

1 to any claim of any fault, concession, or omission by Defendants or that class certification is
2 proper under the standard applied to contested certification motions. The Parties stipulate and
3 agree to the certification of the proposed class for settlement purposes only. The Parties further
4 agree that this Stipulation of Settlement will not be admissible in this or any other proceeding as
5 evidence that either (i) a class action should be certified or (ii) either of Defendants is liable to
6 Plaintiffs, any Class Member, any PAGA Covered Employee and/or the California Labor
7 Workforce and Development Agency, other than according to the terms of this Stipulation of
8 Settlement.

9 69. Publicity. Plaintiffs and Class Counsel agree not to disclose or publicize the
10 Settlement, including the fact of the Settlement, its terms or contents, and the negotiations
11 underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity,
12 except potential class members and as shall be contractually required to effectuate the terms of
13 the Settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy
14 as class counsel in other actions, Class Counsel may disclose the name of the Parties in this
15 action and the venue/case number of this action (but not any other settlement details) for such
16 purposes.

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

21 71. Judgment and Continued Jurisdiction. In connection with the motion for final
22 approval of this Settlement, the Parties will present **Exhibit 3** to the Court for its approval,
23 pursuant to Rule 3.770 of the California Rules of Court. After entry of the Judgment, the Court
24 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
25 enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such
26 post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement

27 72. Exhibits and Headings. The terms of this Stipulation of Settlement include the
28 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully

1 set forth herein. The Exhibits to this Stipulation of Settlement are an integral part of the
2 Settlement. The descriptive headings of any paragraphs or sections of this Stipulation of
3 Settlement are inserted for convenience of reference only.

4 73. Amendment or Modification. This Stipulation of Settlement may be amended or
5 modified only by a written instrument signed by counsel for all Parties or their successors-in-
6 interest.

7 74. Entire Agreement. This Stipulation of Settlement and any attached Exhibits
8 constitute the entire agreement between the Parties, and no oral or written representations,
9 warranties, or inducements have been made to Plaintiffs or Defendants concerning this
10 Stipulation of Settlement or its Exhibits other than the representations, warranties, and
11 covenants contained and memorialized in this Stipulation of Settlement and its Exhibits. No
12 other prior or contemporaneous written or oral agreements may be deemed binding on the
13 Parties.

14 75. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
15 Counsel warrant and represent they are expressly authorized by the Parties whom they represent
16 to negotiate this Stipulation of Settlement and to take all appropriate actions required or permitted
17 to be taken by such Parties pursuant to this Stipulation of Settlement to effectuate its terms, and to
18 execute any other documents required to effectuate the terms of this Stipulation of Settlement.
19 The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best
20 efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach
21 agreement on the form or content of any document needed to implement the Settlement, or on any
22 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the
23 Parties may seek the assistance of the Court to resolve such disagreement. The person signing
24 this Stipulation of Settlement on behalf of the Defendants represents and warrants that he/she is
25 authorized to sign this Stipulation of Settlement on behalf of Defendants. Plaintiffs represent and
26 warrants that they are authorized to sign this Stipulation of Settlement and that they have not
27 assigned any claim, or part of a claim, covered by this Settlement of Settlement to a third party.
28 The Parties have cooperated in the drafting and preparation of this Stipulation of Settlement.

Hence, in any construction made of this Stipulation of Settlement, the same shall not be construed against any of the Parties.

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

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

78. Counterparts. This Stipulation of Settlement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

79. This Settlement is Fair, Adequate, and Reasonable. Plaintiffs represent that this Settlement is a fair, adequate, and reasonable settlement of the Action and they have arrived at this Settlement after extensive arm's-length negotiations, taking into account all relevant factors, present and potential.

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

81. Invalidity of Any Provision. Before declaring any term or provision of this Stipulation of Settlement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation of Settlement as valid and enforceable. In the event the Court declares any material provision of this Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms will be of no force and effect, except as

1 otherwise agreed to by the Parties in writing.

2 82. Binding Nature of Notice of Class Action Settlement. It is agreed that, because
3 the Class Members are so numerous, it is impossible or impractical to have each Class Member
4 execute the Stipulation of Settlement. The Class Notice shall advise all Class Members of the
5 binding nature of the Settlement, and the release of Released Claims and shall have the same
6 force and effect as if this Stipulation of Settlement were executed by each Participating Class
7 Member.

8 83. No Unalleged Claims. Neither Plaintiffs nor Class Counsel are currently aware
9 of any: (a) unalleged claims in addition to, or different from, those which are finally and
10 forever settled and released against the Released Parties by this Settlement; and (b) unalleged
11 facts or legal theories upon which any claims or causes of action could be brought against any
12 Released Parties, except such facts and theories specifically alleged in the operative complaints
13 in this Action. Plaintiffs and Class Counsel further represent that, other than the Action, they
14 have no current intention of asserting any other claims against any of the Released Parties in
15 any judicial or administrative forum. Plaintiffs and Class Counsel further represent that they do
16 not currently know of or represent any persons who have expressed any interest in pursuing
17 litigation or seeking any recovery against any of the Released Parties. The Parties
18 acknowledge, understand and agree that the representations described in this paragraph are
19 essential to the Agreement and that this Agreement would not have been entered into were it not
20 for these representations.

21 84. Stay of Litigation. The Parties agree that upon the execution of the Agreement,
22 the Action shall be stayed, except to effectuate the terms of this Agreement.

23 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
24 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs, on the
25 one hand, and Defendants, on the other hand, as of the date(s) set forth below:

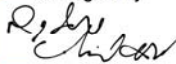
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27 Dated: _____

28 Plaintiff Krystle Shay

Dated: _____

Plaintiff Jose Diaz

Dated: 3/12/2021

DocuSigned by:

DC874523FEB1467...

Plaintiff Deidre Childress

**SANTA BARBARA TRANSPORTATION
CORPORATION**

Dated: _____

Please Print Name of Authorized Signatory

**STUDENT TRANSPORTATION OF
AMERICA, INC.**

Dated: _____

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

BRADLEY & GROMBACHER, LLP

Dated: _____

Marcus Bradley, Esq.
Kiley Grombacher, Esq.
Attorneys for Plaintiff Jose Diaz

CROSNER LEGAL, PC

Dated: _____

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Dated: 3/12/2021

DocuSigned by:

Jose Diaz

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Plaintiff Jose Diaz

Dated: _____

Plaintiff Deidre Childress

**SANTA BARBARA TRANSPORTATION
CORPORATION**

Dated: _____

Please Print Name of Authorized Signatory

**STUDENT TRANSPORTATION OF
AMERICA, INC.**

Dated: _____

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

BRADLEY & GROMBACHER, LLP

Dated: 3/14/21



Marcus Bradley, Esq.

Kiley Grombacher, Esq.

Attorneys for Plaintiff Jose Diaz

CROSNER LEGAL, PC

Dated: _____

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2 Dated: _____

3 Plaintiff Jose Diaz

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5 Dated: _____

6 Plaintiff Deidre Childress

7
8 **SANTA BARBARA TRANSPORTATION**
9 **CORPORATION**

10 Dated: _____

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13 Please Print Name of Authorized Signatory

14 **STUDENT TRANSPORTATION OF**
15 **AMERICA, INC.**

16 Dated: _____

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18 Please Print Name of Authorized Signatory

19
20 **APPROVED AS TO FORM**

21
22 **BRADLEY & GROMBACHER, LLP**

23 Dated: _____

24 Marcus Bradley, Esq.
25 Kiley Grombacher, Esq.
26 Attorneys for Plaintiff Jose Diaz

27 **CROSNER LEGAL, PC**

28 Dated: 3/15/2021



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25 one hand, and Defendants, on the other hand, as of the date(s) set forth below:

26
27 Dated: 03 / 18 / 2021



Plaintiff Krystle Shay

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2 Dated: _____

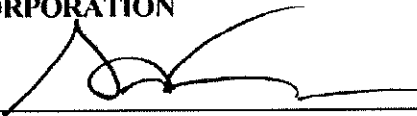
Plaintiff Jose Diaz

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5 Dated: _____

Plaintiff Deidre Childress

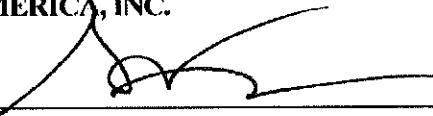
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8 **SANTA BARBARA TRANSPORTATION**
9 **CORPORATION**

10 Dated: 3/15/2021

11 
12 David P. Frenzia
13 Please Print Name of Authorized Signatory

14 **STUDENT TRANSPORTATION OF**
15 **AMERICA, INC.**

16 Dated: 3/15/2021

17 
18 David P. Frenzia
19 Please Print Name of Authorized Signatory

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21 **APPROVED AS TO FORM**

22 **BRADLEY & GROMBACHER, LLP**

23
24 Dated: _____

25 _____
26 Marcus Bradley, Esq.
27 Kiley Grombacher, Esq.
28 Attorneys for Plaintiff Jose Diaz

CROSNER LEGAL, PC

Dated: _____

Zachary Crosner, Esq.
Blake Jones, Esq.
Michael Crosner, Esq.
Attorney for Plaintiff Krystle Shay

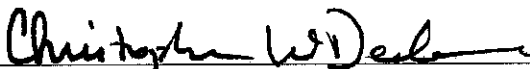
JAMES HAWKINS APLC

Dated: _____

James Hawkins, Esq.
Gregory Mauro, Esq.
Attorney for Plaintiff Deidre Childress

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

Dated: 3/16/2021


Christopher Decker, Esq.
Attorneys for Defendants

Zachary Crosner, Esq.
Blake Jones, Esq.
Michael Crosner, Esq.
Attorney for Plaintiff Krystle Shay

JAMES HAWKINS APLC

Dated: 03/15/2021



James Hawkins, Esq.
Gregory Mauro, Esq.
Attorney for Plaintiff Deidre Childress

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

Dated: _____

Christopher Decker, Esq.
Attorneys for Defendants