

1 Kane Moon (SBN 249834)
kane.moon@moonyanglaw.com
2 H. Scott Leviant (SBN 200834)
scott.leviant@moonyanglaw.com
3 Ani Martirosian (SBN 321046)
ani.martirosian@moonyanglaw.com
4 **MOON & YANG, APC**
1055 W. Seventh Street, Suite 1880
5 Los Angeles, California 90017
Telephone: (213) 232-3128
6 Facsimile: (213) 232-3125

7 Attorneys for Plaintiff MARK PEREIDA

8 KEITH A. JACOBY, Bar No. 150233
RACHAEL LAVI, Bar No. 294443
9 LAUREN S. SCHWARTZ, Bar No. 312253
LITTLER MENDELSON, P.C.
2049 Century Park East
5th Floor
11 Los Angeles, CA 90067.3107
Telephone: 310.553.0308
12 Fax No.: 310.553.5583

13 Attorneys for Defendants
14 **MORSCO SUPPLY, LLC, A LIMITED LIABILITY COMPANY**
(also formerly known as EXPRESS PIPE & SUPPLY CO., LLC)

15
16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 COUNTY OF LOS ANGELES

18 MARK PEREIDA, individually, and on behalf of
all others similarly situated,

19 Plaintiffs,

20 v.

21
22 MORSCO SUPPLY, LLC, a limited liability
company; EXPRESS PIPE & SUPPLY CO.,
23 LLC, a limited liability company; and DOES 1
through 10, inclusive,

24 Defendants.
25
26
27
28

Case No. 20STCV05543

CLASS ACTION

**JOINT STIPULATION AND CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT AND
RELEASE**

1 This Class and Representative Action Settlement Agreement and Stipulation (“Settlement” or
2 “Agreement”) is made and entered into by Plaintiff Mark Pereida (“Plaintiff” or “Class
3 Representative”), individually and as representative of the Class and alleged aggrieved employees, as
4 defined below, on the one hand, and Defendant Morsco Supply, LLC doing business as Express Pipe
5 & Supply Co., LLC (“Defendant” and together with “Plaintiff,” the “Parties”), on the other.

6 This Agreement is subject to the approval of the Court, and is made for the sole purpose of
7 attempting to consummate settlement of this Action on a class-wide and representative basis subject
8 to the following terms and conditions. As detailed below, in the event the Court does not enter an order
9 granting approval of the PAGA Settlement, as defined below, final approval of the Class Settlement,
10 as defined below, or the conditions precedent are not met for any reason, this Agreement is void and
11 is of no force or effect whatsoever.

12 NOW THEREFORE, in consideration of the promises and warranties set forth below, and
13 intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings
14 set forth below, Plaintiff, individually, and as representative of the Class/alleged aggrieved employees,
15 and Defendant agree that the Action shall be, and is finally and fully compromised and settled on the
16 following terms and conditions:

17 **1. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION**

18 1.1. On or about February 13, 2020, Plaintiff filed a putative class action in the Superior
19 Court of California, County of Orange County entitled: *Mark Pereida, individually, and on behalf of*
20 *all others similarly situated v. Morsco Supply LLC, a limited liability company; Express Pipe & Supply*
21 *Co., LLC, a limited liability company and DOES 1-20, inclusive*, Case No. 20STCV05543 (the
22 “Complaint”). The Complaint was filed on behalf of a putative class of California non-exempt
23 employees alleging: (1) failure to pay minimum and straight time wages, (Labor Code §§ 204, 1194,
24 1194.2, and 1197); (2) failure to pay overtime compensation, (Labor Code §§ 1194, 1198); (3) failure
25 to provide meal periods, (Labor Code §§ 226.7, 512); (4) failure to authorize and permit rest breaks,
26 (Labor Code § 226.7); (5) failure to pay final wages at termination (Labor Code §§ 201-203); (6)
27 failure to furnish accurate wage statements, (Labor Code § 226); and (7) violation of California
28 Business and Professions Code §17200, *et seq.*

1 1.2. On or about March 12, 2020, the Parties filed a Joint Stipulation to File First Amended
2 Complaint to revise the duration of the class period. Plaintiff filed his First Amended Complaint on
3 or about March 24, 2020.

4 1.3. On or about May 14, 2020, the Parties filed a Joint Stipulation to File Second Amended
5 Complaint to add a cause of action for Penalties Pursuant to the Private Attorneys General Act (Labor
6 Code § 2699) (“PAGA”). Plaintiff filed the operative Second Amended Complaint on or around June
7 25, 2020 (“Second Amended Class Action Complaint”).

8 1.4. Prior to mediating the case on October 21, 2020, the Parties informally exchanged
9 information and documentation about *inter alia*: the number of current and former putative class
10 members/alleged aggrieved employees who worked during the relevant time period; Defendant’s
11 timekeeping, meal period and rest break policies; electronic time and pay records for putative class
12 members/alleged aggrieved employees; and other relevant information, including Plaintiff’s personnel
13 file and payroll records.

14 1.5. On October 21, 2020, the Parties participated in an all-day mediation with mediator
15 Lisa Klerman, which included lengthy and fully informed negotiations. The mediator provided the
16 Parties with a mediator’s proposal, which was accepted by both Parties, principally settling the entire
17 matter the same day. The Parties memorialized the general terms of their settlement via a
18 Memorandum of Understanding. Defendant did not admit any liability whatsoever and entered into
19 the Memorandum of Understanding solely for the purposes of compromising and settling the Action.

20 1.6. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this
21 Action and have arrived at this Settlement after lengthy, extensive arms-length negotiations, facilitated
22 by an experienced wage and hour class action mediator, taking into account all relevant factors, present
23 and potential. This Agreement shall not be construed in favor of or against any of the Parties by reason
24 of their participation in the drafting of this Agreement.

25 1.7. Defendant has denied and continues to deny each and all of the allegations, claims, and
26 contentions alleged by Plaintiff in the Action. Defendant has expressly denied and continues to deny
27 all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or
28 omissions alleged in the Action. Defendant contends that it complied in good faith with California

1 wage and hour laws and has dealt legally and fairly with Plaintiff and Class Members. Defendant
2 further denies that, for any purpose other than settling the Action, these claims are appropriate for
3 class or representative treatment. Nonetheless, Defendant has concluded that further proceedings in
4 the Action would be protracted and expensive and that it is desirable that the Action be fully and finally
5 settled in the manner and upon the terms and conditions set forth in this Agreement in order to dispose
6 of burdensome and protracted litigation, to permit the operation of Defendant's business without
7 further expensive litigation and the distraction and diversion of its personnel with respect to matters
8 at issue in the Action. Defendant has also taken into account the uncertainty and risks inherent in any
9 litigation, especially in complex cases such as the Action. Defendant has, therefore, determined that it
10 is desirable and beneficial to it that the Action be settled in the manner and upon the terms and
11 conditions set forth in this Agreement.

12 1.8. Plaintiff, on behalf of himself and the Class, along with Defendant, and subject to the
13 approval of the Court, stipulate that the Action will be compromised and settled pursuant to the terms
14 and conditions set forth in this Agreement and that after the date of the Court's final approval of this
15 Agreement, judgment shall be entered, subject to the continuing jurisdiction of the Court as set forth
16 below, subject to the recitals set forth above which by this reference become an integral part of this
17 Agreement, and subject to the following definitions, terms and conditions:

18 **2. DEFINITIONS**

19 As used in this Agreement, the following terms shall have the meanings specified below. To
20 the extent terms or phrases used in this Agreement are not specifically defined below, but are defined
21 elsewhere in this Agreement, they are incorporated by reference into this definition section.

22 2.1 "**Action**" means the class action litigation titled *Mark Pereida, individually, and on*
23 *behalf of all others similarly situated v. Morsco Supply LLC, a limited liability company; Express Pipe*
24 *& Supply Co., LLC, a limited liability company and DOES 1-20, inclusive*, Case No. 20STCV05543,
25 pending in the Superior Court of the State of California, County of Los Angeles, Case No.
26 20STCV05543, and all pleadings filed therein.

27 2.2 "**Administrative Expenses**" include all costs and expenses associated with and paid to
28 the Settlement Administrator, which are anticipated not to exceed \$7,000, based upon the "not-to-

1 exceed” bid accepted by the Parties from the Settlement Administrator.

2 2.3 “**Agreement**” means this Joint Stipulation and Class and Representative Action
3 Settlement Agreement and Release, including any attached exhibits.

4 2.4 “**Claims**” means all claims for wages and related penalties actually alleged or that could
5 have been alleged in the Action by Plaintiff, on behalf of himself and the Class Members, based on
6 the facts alleged in the Second Amended Class Action Complaint, including but not limited to: (1)
7 failure to pay minimum and straight time wages, (Labor Code § 204, 1194, 1194.2, and 1197; (2)
8 failure to pay overtime compensation, (Labor Code §§ 510, 1194, 1198); (3) failure to provide meal
9 periods, (Labor Code §§ 226.7 and 512); (4) failure to permit rest breaks, (Labor Code § 226.7); (5)
10 failure to pay timely pay final wages due upon separation of employment within the required time,
11 (Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements, (Labor Code §
12 226); (7) violation of Business and Professions Code §§ 17200, *et seq.*; and (8) civil penalties under
13 PAGA, (Labor Code § 2699 *et seq.*). Additionally, for those Class Members who do not timely and/or
14 properly submit an Opt-Out Request, “Claims” shall include all claims for failure to pay wages under
15 the Federal Fair Labor Standards Act.

16 2.5 “**Class**” means all non-exempt employees of Defendant who worked in California
17 during the Class Period, excluding those non-exempt employees that signed severance and release
18 agreements. Defendant represents there are approximately 262 Class Members who worked
19 approximately 7,770 pay periods.

20 2.6 “**Class Counsel**” means Kane Moon, H. Scott Leviant, and Lilit Ter-Astvatsatryan of
21 Moon & Yang, APC.

22 2.7 “**Class Counsel’s Fees and Expenses**” means the amount awarded to Class Counsel
23 by the Court to compensate them for their fees in prosecuting the Action not to exceed one-third of
24 the Gross Settlement Amount, or \$153,333.33, plus up to \$15,000 in costs as approved by the Court.

25 2.8 “**Class Members**” means the individuals in the Class.

26 2.9 “**Class Notices**” means the Notice of PAGA and Class Action Settlement, directed to
27 Class Members and PAGA Employees, as set forth in the form of **Exhibit A** attached hereto, or as
28 otherwise approved by the Court, which are to be mailed to Class Members and PAGA Employees.

1 2.10 **“Class Pay Period Value”** means the value of each pay period, as determined by the
2 Settlement Administrator, by dividing the Net Settlement Proceeds (less the PAGA Payment to PAGA
3 Employees) by the total number of pay periods available to the Participating Class Members during
4 the Class Period.

5 2.11 **“Class Period”** means December 1, 2018 through June 30, 2021 or the date upon which
6 the Court grants Preliminary Approval of this settlement, whichever is sooner.

7 2.12 **“Class Representative”** means Plaintiff Mark Pereida.

8 2.13 **Class Representative Enhancement”** means any additional monetary payment
9 provided to Plaintiff Mark Pereida in his capacity as Class Representative, not to exceed \$7,500.00,
10 for his efforts and risks on behalf of the Class in the Action, as determined by the Court.

11 2.14 **“Class Settlement”** means the non-PAGA portion of the settlement embodied in this
12 Agreement, which is subject to the Court’s preliminary and final approval.

13 2.15 **“Complaint”** means the Class Action Complaint, the First Amended Class Action
14 Complaint, and the operative the Second Amended Class Action Complaint filed in the Action by
15 Plaintiff, in the Superior Court of the State of California, County of Los Angeles.

16 2.16 **“Court”** means the Superior Court of the State of California, County of Los Angeles.

17 2.17 **“Defendant”** means Morsco Supply, LLC doing business as Express Pipe & Supply
18 Co., LLC.

19 2.18 **“Defense Counsel”** or **“Counsel for Defendant”** means Keith Jacoby, Rachael Lavi
20 and Lauren Schwartz of Littler Mendelson, P.C.

21 2.19 **“Effective Date”** of this Agreement means the date when all of the conditions set forth
22 in Paragraph 6.8 have occurred.

23 2.20 **“Employee’s Taxes”** means the employee’s share of any and all applicable federal,
24 state or local payroll taxes on the portion of any Participating Class Member’s Individual Settlement
25 Payment that constitutes wages. The Employee’s Taxes will be deducted from their Individual
26 Settlement Shares.

27 2.21 **“Employer’s Taxes”** means and refers to the employer’s share of corporate federal,
28 state and/or local payroll taxes that is owed on the portion of any Participating Class Member’s

1 Individual Settlement Payment that constitutes wages and any Class Representative Enhancement that
2 constitutes wages. The Employer's Taxes shall be paid separate and apart from the Gross Settlement
3 Amount.

4 2.22 **"Final Approval Hearing"** means the hearing held to determine whether the Court
5 will enter a Final Approval Order finally approving this Settlement.

6 2.23 **"Final Approval Order"** means the Court's entry of an Order finally approving and
7 granting final judgment of this Settlement.

8 2.24 **"Gross Settlement Amount"** means the agreed-upon non-reversionary settlement
9 amount totaling \$460,000.00 to be paid by Defendant in full settlement of the Released Claims and
10 the PAGA Claims asserted in the Action, inclusive of all payments to Class Members, attorneys' fees,
11 costs and expenses directly related to the Action, which includes all such fees and costs incurred to
12 date, as well as all such fees and costs incurred in documenting the Settlement, administering the
13 Settlement (including the Administrative Expenses), the Class Representative Enhancement, and the
14 PAGA Payment. If, as of the end of the Class Period, the actual number of Class Members is more
15 than 10% larger than the estimated number of Class Members on October 21, 2020 (which is estimated
16 to be 262 individuals), Defendant will have the option of either: (a) Closing the Class Period on the
17 date the class reaches the 10% threshold (26 additional individuals over the 262 estimate, *i.e.*, the date
18 the Class reaches 288 Class Members), or (b) the Gross Settlement Amount shall be increased by one
19 percentage point for each percentage point over the 10% threshold (26 additional individuals over the
20 262 estimate) that the actual number of Class Members exceeds the estimated number (for example,
21 if the actual number of Class Members is 11% higher than the estimated number at the end of the Class
22 Period, then the Gross Settlement Amount would increase by 1%). The Gross Settlement Amount will
23 not be reduced due to Defendant's estimate.

24 2.25 **"Individual Class Pay Periods"** means the number of pay periods of employment in
25 California for each Class Member as a non-exempt employee in California of Defendant, at any time
26 in the Class Period. Defendant will calculate the number of pay periods by calculating the number of
27 weeks in which each Participating Class Member was employed and performed any work during the
28

1 Class Period using each Participating Class Member's hire date and termination date and/or payroll
2 data.

3 2.26 **"Individual PAGA Pay Periods"** means the number of pay periods of employment in
4 California for each PAGA Employee as a non-exempt employee in California of Defendant, at any
5 time in the PAGA Period. Defendant will calculate the number of pay periods by calculating the
6 number of weeks in which each PAGA Employee was employed and performed any work during the
7 PAGA Period using each PAGA Employee's hire date and termination date and/or payroll data.

8 2.27 **"Individual Settlement Payment"** means a Class Member's Total Class Pay Periods
9 multiplied by the Class Pay Period Value (if the Class Member is a Participating Class Member) plus
10 the Class Member's Total PAGA Pay Periods multiplied by the PAGA Pay Period Value (if the Class
11 Member is a PAGA Employee). The Individual Settlement Payment will be reduced by any required
12 legal deductions.

13 2.28 **"Mailing Date"** means the date that the Settlement Administrator initially mails by
14 Regular United States Mail the Class Notices to the Class Members and the PAGA Employees.

15 2.29 **"Net Settlement Amount"** means the portion of the Gross Settlement Amount
16 available for distribution to Participating Class Members after deduction of Class Counsel's Fees and
17 Expenses, the Class Representative Enhancement, the Administrative Expenses, and the PAGA
18 Payment.

19 2.30 **"Notice of Objection"** means a written request by a Class Member to object to this
20 Settlement, which must be completed and filed or mailed in the manner set forth in this Agreement
21 and the Notice of Settlement.

22 2.31 **"Notice Period"** means a sixty (60) calendar day period which begins on the Mailing
23 Date, with up to a 14-day extension of that response period for re-mailed Class Notices. A Class
24 Member who wishes to opt out of the settlement must complete an Opt-Out Request and return it to
25 the Settlement Administrator with a postmark dated during the Notice Period to be valid and effective.
26 A Class Member who wishes to object to the settlement in writing must submit any written objection
27 to the Settlement Administrator during the Notice Period to be considered. The Settlement
28 Administrator shall be required to authenticate written objections via a declaration and provide copies

1 to Class Counsel and Defendant's Counsel. A written notice disputing the number of Pay Periods
2 worked must be returned to the Settlement Administrator with a postmark dated during the Notice
3 Period to be considered by the Settlement Administrator when calculating that person's Individual
4 Settlement Payment.

5 2.32 **"Opt-Out Request"** means a written request from a Class Member requesting
6 exclusion from the Class in accordance with the terms of the Agreement and Class Notices.

7 2.33 **"PAGA Claims"** means all disputes, claims, and/or causes of action set forth in
8 Paragraph 5.5.

9 2.34 **"PAGA Employee"** means Class Members employed during the PAGA Period. PAGA
10 Employees cannot opt out of the settlement.

11 2.35 **"PAGA Payment"** means the payment to the State of California Labor & Workforce
12 Development Agency ("LWDA") and the PAGA Employees in settlement of all claims for PAGA
13 penalties.

14 2.36 **"PAGA Payment Check"** means the check issued to each PAGA Employee for his or
15 her share of the PAGA Payment.

16 2.37 **"PAGA Period"** means the period beginning on February 13, 2019 through June 30,
17 2021, or the date upon which the Court grants Preliminary Approval of this Settlement, whichever is
18 sooner.

19 2.38 **"PAGA Settlement"** means the PAGA portion of the Gross Settlement Amount
20 embodied in this Agreement, which is subject to Court's approval. The Parties apportion \$60,000 of
21 the Gross Settlement Amount to the PAGA Settlement. 75% of the PAGA Settlement will be paid to
22 the State of California LWDA. 25% of the PAGA Settlement shall be distributed *pro rata* to all PAGA
23 Employees.

24 2.39 **"PAGA Pay Period Value"** means the value of each PAGA Pay Period, as determined
25 by the Settlement Administrator, by dividing the PAGA Payment by the Total PAGA Pay Periods.

26 2.40 **"Participating Class Member"** means each Class Member who has not timely and
27 properly opted out of the Class Settlement pursuant to Paragraph 4.6 of this Agreement.

28 2.41 **"Parties"** means Plaintiff, individually and on behalf of all Class Members and all

1 PAGA Employees, and Defendant.

2 2.42 **“Plaintiff”** means Mark Pereida.

3 2.43 **“Preliminary Approval Order and Order Approving PAGA Settlement”** means an
4 order from the Court: (1) preliminarily approving the Class Settlement; and (2) approving the PAGA
5 Settlement.

6 2.44 **“Released Claims”** or **“Settled Claims”** mean all disputes, claims, and/or causes of
7 action set forth in Paragraph 5.4. Other than as provided in Paragraph 5.4, it is understood and agreed
8 that this Agreement will not release any person, party or entity from claims, if any, by Class Members
9 for workers’ compensation, unemployment, or disability benefits of any nature, nor does it release any
10 claims, actions, or causes of action which may be possessed by Class Members under state or federal
11 discrimination statutes, specifically California Fair Employment and Housing Act (“FEHA”), Cal.
12 Government Code § 12940, *et seq.*; the Unruh Civil Rights Act, Cal. Civil Code §51, *et seq.*; the
13 California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*; the
14 Americans with Disabilities Act, as amended, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement
15 Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; and all of their implementing
16 regulations and interpretive guidelines.

17 2.45 **“Released Parties”** means Defendant Morsco Supply, LLC (d/b/a Express Pipe &
18 Supply Co., LLC) its past or present officers, directors, shareholders, employees, agents, principals,
19 heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective
20 successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.

21 2.46 **“Settlement”** means the settlement of the Action effectuated by this Agreement
22 between the Parties (including the Class Settlement and PAGA Settlement).

23 2.47 **“Settlement Administrator”** means Phoenix Settlement Administrators, who is an
24 experienced, neutral third-party administrator that is acceptable to the Parties and approved by the
25 Court. The Settlement Administrator shall be responsible for administration of the Settlement and
26 related matters. The Settlement Administrator shall be paid from the Gross Settlement Amount, as
27 approved by the Court.

28 2.48 **“Settlement Period”** means the period from December 1, 2018 through June 30, 2021

1 or the date upon which the Court grants Preliminary Approval of this settlement, whichever is sooner.

2 2.49 “**Settlement Proceeds Distribution Deadline**” means a date that is forty business (40)
3 days after the Effective Date.

4 2.50 “**Total Class Pay Periods**” means the total number of pay periods that all Participating
5 Class Members worked during the Class Period. Any Participating Class Member with less than one
6 complete week of employment will be credited with one workweek.

7 2.51 “**Total PAGA Pay Periods**” means the total number of pay periods that each PAGA
8 Employee worked during the PAGA Period as calculated by Defendant. Defendant represents there
9 are approximately 2,864 PAGA Pay Periods.

10 **3. CLASS CERTIFICATION AND CLASS COUNSEL**

11 3.1 Class Certification. Solely for the purposes of this Settlement, the Parties stipulate and
12 agree that in order for this Settlement to occur, the Court must certify the following class as defined
13 in Paragraph 2.5: all non-exempt employees of Defendant who worked in California during the Class
14 Period, excluding those non-exempt employees that signed severance and release agreements.

15 3.2 For settlement purposes only, the Parties agree that the Class, as defined in Paragraph
16 2.5 herein, which will run from December 1, 2018 through June 30, 2021 or the date upon which the
17 Court grants Preliminary Approval of this Settlement, whichever is sooner, may be certified in the
18 Action. The Parties are not certifying any PAGA claims. In support of this Agreement, Plaintiff will
19 request that the Court certify for settlement purposes the Class as to all non-PAGA claims that have
20 been asserted, which Defendant shall not oppose or object to.

21 3.3 The Parties intend their Class Settlement to be contingent upon the preliminary and
22 final approval of each and every term of this Agreement, without material or substantive modification,
23 unless the Parties agree to such modification. Except as expressly set forth in this Agreement, if the
24 Court does not so approve this Agreement, the Parties intend this Agreement to become null and void,
25 and unenforceable, in which event the settlement terms set forth herein, including any modifications
26 made with the consent of the Parties, and any action taken or to be taken in connection with this
27 Agreement shall be terminated and shall become null and void and have no further force or effect, and
28 the Class certified pursuant to this Agreement will be decertified for all purposes.

1 3.4 Appointment Of Class Representative. Solely for the purposes of this Settlement, the
2 Parties stipulate and agree that Plaintiff Mark Pereida shall be appointed as a representative for the
3 Class.

4 3.5 Appointment Of Class Counsel. Solely for the purposes of this Settlement, the Parties
5 stipulate and agree that Kane Moon, H. Scott Leviant, and Ani Martirosian of Moon & Yang, APC,
6 1055 W. Seventh St., Suite 1880, Los Angeles, CA 900 shall be appointed as Class Counsel for the
7 Class.

8 **4. NOTICE AND SETTLEMENT ADMINISTRATION PROCESS**

9 4.1 Identification of Class Members. Within fourteen (14) days after entry of the
10 Preliminary Approval of Settlement, Defendant shall provide to the Settlement Administrator a list of
11 Class Members that includes: (1) the names, last known addresses, last known personal telephone
12 numbers (if known), and social security numbers of each individual; and (2) the Individual Class Pay
13 Periods, and Individual PAGA Pay Periods. Defendant agrees to provide the list in an electronic format
14 reasonably acceptable to the Settlement Administrator. Defendant shall provide this list to the
15 Settlement Administrator by secure file transfer. The Settlement Administrator will keep the list
16 confidential, use it only for the purposes described herein, and return it to Defendant upon completion
17 of the settlement administration process. Notwithstanding the confidentiality provision, the Settlement
18 Administrator is authorized to provide all counsel with an anonymized spreadsheet showing the
19 number of Individual Class Pay Periods and Individual PAGA Pay Periods worked by each Class
20 Member to permit Class Counsel and Defendant's Counsel to review the Pay Period data and payment
21 calculations for consistency.

22 4.2 Individual Settlement Payment Calculation. Based on the information in the PAGA
23 Employee/Class Member list and the formula set forth in Paragraph 7 below, the Settlement
24 Administrator shall promptly calculate the estimated Individual Settlement Payment for every Class
25 Member/PAGA Employee, to be included in the individualized Class Notices to be sent to that Class
26 Member, and shall prepare and send a spreadsheet setting forth those calculations to Defense Counsel
27 no fewer than five (5) days before mailing the Class Notices to Class Members. The Class Notices
28 will inform each Class Member of his/her right to do nothing, dispute the number of Individual Class

1 Pay Periods and/or Individual PAGA Pay Periods worked, opt out of the non-PAGA payment and
2 release of non-PAGA claims, or to object to the non-PAGA payment and release of non-PAGA claims.
3 It will also inform Class Members that if they first request exclusion from, and opt out of, the Class
4 Settlement and then object in writing, the written objections would not be considered valid and that if
5 the Class Members submit any written objection and then request exclusion from, and opt out of, the
6 Class Settlement, the Class Members would be deemed to have waived their objection.

7 4.3 PAGA Payment Check. Payment to the PAGA Employees of their portion of the PAGA
8 Payment shall be paid to each of them by way of a single check (“PAGA Payment Check”). The PAGA
9 Payment Check represents the portion of the civil penalties awarded directly under PAGA.

10 4.4 Notice Procedure. Within ten (10) days after receipt of the list of Class
11 Members/PAGA Employees described in Paragraph 4.1 above, the Settlement Administrator shall
12 mail the Class Notices to each Class Member/PAGA Employee whose address information is known.
13 Prior to this mailing, the Settlement Administrator shall conduct a National Change of Address check
14 as to each address. The mailing shall be sent by first-class U.S. Mail, postage pre-paid. The date that
15 the Settlement Administrator mails the Class Notices is the Mailing Date. It shall be conclusively
16 presumed that each and every Class Member whose Class Notice are not returned to the Settlement
17 Administrator as undeliverable within thirty (30) calendar days after the Mailing Date has received
18 the Class Notices.

19 4.4.1 The Settlement Administrator shall promptly re-mail any Class Notice returned
20 by the Post Office with a forwarding address. It shall be conclusively presumed that those Class
21 Members/PAGA Employees whose re-mailed Class Notice are not returned to the Settlement
22 Administrator as undeliverable within fifteen (15) calendar days after re-mailing has received the Class
23 Notice.

24 4.4.2 If any Class Notice is returned as undeliverable with no return address, the
25 Settlement Administrator will perform one search using the social security number of any Class
26 Member/PAGA Employees for a more current address. If an address is not found, no further action is
27 required. It shall be conclusively presumed that those Class Members/PAGA Employees whose re-
28 mailed Class Notice are not returned to the Settlement Administrator as undeliverable within fifteen

1 (15) calendar days after re-mailing has received the Class Notice.

2 4.4.3 Class Counsel shall provide to the Court, at or before the Final Approval
3 Hearing, a declaration from the Settlement Administrator confirming that the Class Notices were
4 mailed to all Class Members as required by this Agreement, as well as any additional information
5 Class Counsel and Defense Counsel both deem appropriate to provide to the Court, including
6 identification of any Class Members who opt out of the Settlement and authentication of any written
7 objections submitted timely to the Settlement Administrator.

8 4.4.4 The Class Notice shall state the formula to be used in calculating Individual
9 Settlement Payments as calculated by the Settlement Administrator. A Participating Class Member
10 may seek to challenge his or her estimated Individual Settlement Payment set forth in his or her Class
11 Notice. Such challenges must: (i) be in writing; (ii) state the full name of the Class Member seeking
12 the challenge; (iii) include a statement that the Class Member is seeking to challenge his or her
13 estimated Individual Settlement Payment set forth in the Class Notice; (iv) state the number of
14 Individual Class Pay Periods worked that the Class Member believes he or she has worked; (v) be
15 signed by the Class Member seeking the challenge; and (v) be mailed to the Settlement Administrator
16 with a postmark date on or before the expiration of the Notice Period. A Participating Class Member
17 challenging his or her Individual Settlement Payment may produce documentary evidence to the
18 Settlement Administrator for consideration and/or challenge. The Settlement Administrator will
19 resolve the challenge and make a final and binding determination without hearing or right of appeal.
20 The personnel records, including payroll records, of Defendant shall be considered by the Settlement
21 Administrator as the presumptive best evidence of the number of Individual Class Pay Periods worked.
22 The Settlement Administrator may provide copies of any documentary evidence produced as part of a
23 challenge to Defendant to request confirmation from Defendant that the documentary evidence
24 appears to accurately reflect additional Individual Class Pay Periods worked by the challenging Class
25 Member.

26 The Class Notice shall explain that if a Class Member does not opt out of the Class Settlement,
27 such Class Member will receive the Individual Settlement Payment pursuant to the terms of this
28 Agreement. The Parties intend that reasonable means be used to maximize the probability that all

1 Class Members shall receive the Class Notice.

2 The Class Notice shall provide the date and location of the Final Approval hearing. If the date
3 and/or location of the Final Approval Hearing should change, the Settlement Administrator will give
4 notice by posting the change on the settlement website. The Class Notice shall also provide
5 information about telephonic or videoconference appearances if those are required by the Court at the
6 time of the Final Approval hearing.

7 4.4.5 Within ten (10) days after the close of the Notice Period, the Settlement
8 Administrator will provide Defense Counsel with a report by name and last four digits of Social
9 Security Number listing the amount of all Individual Settlement Payments to be made to the
10 Participating Class Members, a list by name of all Class Members who timely opted out under
11 Paragraph 4.6, below, and a list by name of all Class Members who timely objected under Paragraph
12 4.8 below. That same report shall be provided to Class Counsel with the names of Participating Class
13 Members removed, but the identities of all Class Members who timely opted out under Paragraph 4.6,
14 below, and a list by name of all Class Members who timely objected under Paragraph 4.8 below, shall
15 be included in the report to Class Counsel.

16 4.5 Class Settlement Payment. Any Class Member who wishes to become a Participating
17 Class Member and receive an Individual Settlement Payment must not opt out of the Class.

18 4.6 Opt-Out Procedure. Any Class Member who wishes to be excluded from the Class
19 Settlement may seek exclusion under this Paragraph. However, no PAGA Employee can seek
20 exclusion from the PAGA portion of the settlement. Unless a Class Member timely and properly opts
21 out of the Class Settlement described in this Agreement, he or she shall be a Participating Class
22 Member and shall be bound by all the terms and conditions of this Agreement, and shall also be bound
23 by the Court's Order enjoining all Participating Class Members from pursuing, or seeking to reopen,
24 any of the Settled Claims against the Released Parties. A Class Member will not be entitled to opt out
25 of the Class Settlement established by this Agreement unless he or she submits a timely Opt-Out
26 Request as provided in this Paragraph. An Opt-Out Request must: (i) be in writing; (ii) state the full
27 name of the Class Member seeking exclusion; (iii) include a statement that the Class Member seeking
28 exclusion from the Settlement requests exclusion from the Class and does not wish to participate in

1 the Settlement; (iv) be signed by the Class Member seeking exclusion from the Settlement; and (v) be
2 mailed to the Settlement Administrator with a postmark date on or before the expiration of the Notice
3 Period.

4 The Opt-Out Request must be completed by the Class Member seeking exclusion from the
5 Class Settlement. Any Class Member who properly submits a timely, complete and valid Opt-Out
6 Request using this procedure will not be entitled to an Individual Settlement Payment and will not be
7 bound by the Settlement or have any right to object, appeal or comment thereon, except that a Class
8 Member that is also a PAGA Employee will be bound by the release of PAGA Claims set forth in this
9 Agreement and will be issued the PAGA Employee's share of the PAGA Payment.

10 PAGA Employees will not have the opportunity to opt out or object to the PAGA Payment
11 and/or release of PAGA Claims although the PAGA Payment will be subject to Court approval.

12 4.6.1 Upon receipt of any Opt-Out Request within the Notice Period, the Settlement
13 Administrator shall review the request to verify the information contained therein, and to confirm that
14 the request complies with the requirements of this Agreement.

15 4.6.2 Any Class Member who fails to submit a timely, complete and valid Opt-Out
16 Request shall be barred from opting out of the Settlement. The Settlement Administrator shall not
17 review or consider any Opt-Out Request postmarked after the end of the Notice Period. It shall be
18 conclusively presumed that, if an Opt-Out Request is not postmarked on or before the end of the Notice
19 Period, or is not received by the Settlement Administrator, the Class Member did not make the request
20 in a timely or valid manner. Under no circumstances shall the Settlement Administrator have the
21 authority to extend the deadline for Class Members to submit an Opt-Out Request.

22 4.6.3 The Settlement Administrator shall give Class Counsel and Defense Counsel a
23 weekly update on the number of Opt-Out Requests received.

24 4.7 Excessive Opt-Out Requests. If ten percent (10%) or more of Class Members timely
25 opt out of the Class Settlement, Defendant shall have the option to withdraw from the Settlement
26 within twenty calendar (20) days after receiving from the Settlement Administrator the final list of
27 opt-outs. Defendant agrees to meet and confer in good faith with Class Counsel before withdrawing
28 from the Settlement. In the event that Defendant elects to withdraw from the Settlement, Defendant

1 shall provide written notice of such rescission to Class Counsel. Such withdrawal shall have the same
2 effect as a termination of this Agreement for failure to satisfy a condition of settlement, and the
3 Agreement shall become null and void and have no further force or effect, and the Class certified
4 pursuant to this Agreement will be decertified for all purposes. If Defendant chooses to terminate this
5 Agreement under this provision, it shall be responsible to pay the Settlement Administrator's fees and
6 costs incurred to that point. If Defendant chooses to terminate this Agreement under this provision,
7 the Parties may re-negotiate settlement terms.

8 4.8 Objections to Class Settlement. Any Participating Class Member may object to the
9 Class Settlement in writing, in person at the Final Approval hearing, or through an attorney obtained
10 at the expense of the objecting Participating Class Member. Participating Class Members who wish to
11 object in writing must send their written objections to the Settlement Administrator only by the close
12 of the Notice Period. The Settlement Administrator must promptly forward all written objections
13 received by the close of the Notice Period to all counsel. An objection must state the specific grounds
14 on which it is being made and all supporting facts. The Class Notice will state in substance:

15 Any member of the settlement Class who has not opted out can ask the Court to deny
16 approval of the settlement by submitting an objection. You can't ask the Court to order a
17 larger settlement; the Court can only approve or deny the settlement. If the Court denies
approval, no additional settlement payments will be sent out and the lawsuit will continue.
If that is what you want to happen, you must object.

18 You may object to the proposed settlement in writing, except you may not object to the
19 PAGA Payment and release of PAGA Claims. You may also appear at the Final Approval
20 Hearing, either in person or through your attorney. If you appear through your own attorney,
21 you are responsible for paying that attorney. You may appear and orally object regardless
22 of whether you submitted a written objection. All written objections and supporting papers
23 must: (a) clearly identify the case and number (*Pereida v. Morsco Supply LLC; Express
Pipe & Supply Co. LLC*. Case No. 20STCV05543); (b) be submitted to the Settlement
Administrator; and (c) be postmarked on or before [insert date of the close of the Notice
Period]. Class Members who fail to timely mail such a written statement of objection shall
be foreclosed from making any written objection to this Settlement.

24 Class Members who fail to timely submit a written statement of objection shall be foreclosed
25 from making any written objection to this Settlement. Only Participating Class Members may object
26 to the Class Settlement. Class Members may appear at the Final Approval Hearing and object orally
27 regardless of whether he/she submits a written objection. This Paragraph shall be strictly applied and
28 enforced. Failure to comply with its terms shall render an objection ineffective and waived.

1 4.9 Funding and Distribution of Settlement. Within thirty (30) calendar days after the
2 Effective Date, Defendant shall transfer to the Settlement Administrator an amount equal to the Gross
3 Settlement Amount plus its share of the Employer's Taxes. The delivery of the Gross Settlement
4 Amount to the Settlement Administrator plus its share of Employer's Taxes shall constitute full and
5 complete discharge of the entire obligation of Defendant under this Agreement. Once Defendant has
6 made such payments, Defendant will be deemed to have satisfied all terms and conditions under this
7 Agreement, shall be entitled to all protections afforded to Defendant under this Agreement, and shall
8 have no further obligations under the terms of the Agreement regardless of what occurs with respect
9 to those sums, regardless of whether the Individual Settlement Payments are actually received and/or
10 are negotiated by Class Members. Additionally, no Released Party shall have any further obligation
11 or liability to the Plaintiff, PAGA Employees or Class Members under this Agreement.

12 4.9.1 The distribution of the Individual Settlement Payments to Participating Class
13 Members/PAGA Employees shall occur on the Settlement Proceeds Distribution Deadline. The
14 Settlement Administrator shall be deemed to have timely distributed all such payments to the Class if
15 it places in the mail Individual Settlement Payments for all Participating Class Members and the
16 PAGA Payments to the PAGA Employees and the State of California LWDA by the applicable
17 deadlines set forth in this Agreement or by the deadlines set by the Court. No person shall have any
18 claim against the Settlement Administrator, Defendant, Class Counsel, Defense Counsel, or any other
19 agent designated by the Plaintiff or Defendant based upon the distribution of Individual Settlement
20 Payments and the PAGA Payments made substantially in accordance with this Agreement or further
21 orders of the Court.

22 4.9.2 Any settlement checks that are not claimed or not negotiated within 180 days
23 after distribution by the Settlement Administrator shall be void. Any funds not distributed after the
24 expiration of the settlement checks shall be cancelled and the proceeds shall be sent to the State of
25 California Controller's Office to be held as unclaimed property in the name of the Class Member who
26 is the payee of the check.

27 4.9.3 Except as otherwise stated in this Agreement, the Settlement Administrator's
28 distribution of Class Counsel's Fees and Expenses and the Class Representative Enhancement from

1 the Gross Settlement Fund shall occur on the Settlement Proceeds Distribution Deadline. Upon such
2 payment, Defendant, the Released Parties, Defense Counsel, and the Settlement Administrator shall
3 have no further liability or responsibility to Plaintiff, Class Counsel or to any vendors or third parties
4 employed by the Plaintiff or Class Counsel.

5 4.9.4 Defendant shall not be obligated to make any payments contemplated by this
6 Agreement until the conditions set forth in this Agreement occur.

7 **5. RELEASE PROVISIONS**

8 5.1 Non-Admission of Liability. The Parties enter into this Agreement to resolve the
9 dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation.
10 In entering into this Agreement, Defendant does not admit, and specifically denies, that it has violated
11 any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any
12 statute or any other applicable laws, regulations or legal requirements or engaged in any unlawful
13 conduct with respect to the Plaintiff or any Class Member and/or PAGA Employee. Neither this
14 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
15 construed as an admission or concession by Defendant of any such violations or failures to comply
16 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement,
17 this Agreement and its terms and provisions shall not be offered or received as evidence in any action
18 or proceeding to establish any liability or admission on the part of Defendant or to establish the
19 existence of any condition constituting a violation of, or a non-compliance with, federal, state, local
20 or other applicable law.

21 5.2 Entry of Judgment. Subject to final Court approval and the conditions specified in this
22 Agreement, the approval of the Settlement shall result in an entry of judgment and retention of the
23 case for enforcement purposes.

24 5.3 Conditional Nature Of Stipulation For Certification. Solely for the purposes of this
25 Settlement, the Parties stipulate and agree to the certification of the Claims asserted on behalf of the
26 Class. Should, for whatever reason, the Settlement not become effective, the fact that the Parties were
27 willing to stipulate to certification of the Action as part of the Settlement shall have no bearing on, and
28 shall not be admissible in connection with, the issue of whether the Action, or any claim or class,

1 should be certified in a non-Settlement context in this Action or in any other lawsuit. Defendant
2 expressly reserves its right to oppose claim or class certification in this or any other action should this
3 Settlement not become effective.

4 5.4 Release of All Settled Claims. On the later of the Effective Date or the full funding of
5 the Settlement as set forth in Paragraph 4.9 above, and to the maximum extent permitted by law,
6 Plaintiff and all Class Members who do not timely and properly opt-out hereby do, and shall be deemed
7 to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and
8 all of the Released Parties of and from all of the following claims, demands, rights, liabilities and
9 causes of action that were asserted in the operative complaint in the Action or that could have been
10 asserted based on the claims and factual allegations in the operative complaint in the Action, excluding
11 the PAGA Claim but including (1) any claims, demands, rights, liabilities and causes of action for
12 damages, interest, attorney's fees and costs, injunctive relief, declaratory relief, restitution, or
13 fraudulent business practices based on unpaid wages (including but not limited to minimum wages,
14 straight time wages, and overtime pay), failure to provide meal periods, failure to permit rest breaks,
15 failure to reimburse business expenses, failure to maintain accurate records; failure to furnish accurate
16 wage statements, and failure to pay all wages during employment and at the time of termination; and
17 (2) any claims, demands, rights, liabilities and causes of action for damages, interest, attorney's fees
18 and costs, injunctive relief, declaratory relief, restitution, or fraudulent business practices under
19 California Labor Code sections 201 through 204, 210, 212, 225.5, 226, 226.3, 226.7, 510, 512, 558,
20 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and related provisions contained in the
21 California Wage Orders; and the California Business and Professions Code predicated on such Labor
22 Code sections and California Wage Orders, including but not limited to Business and Professions Code
23 section 17200 *et seq.* With respect to the PAGA Claim, all PAGA Employees, regardless of whether
24 they opt-out of the Class Settlement, shall be deemed to have fully, finally, and forever released,
25 settled, compromised, relinquished and discharged any and all of the Released Parties of and from the
26 PAGA Claim based in whole or in part on the factual or legal allegations and/or claims in the
27 Complaint and/or Plaintiff's February 11, 2020 LWDA Letter. All claims set forth in this Paragraph
28 shall be collectively referred to as the "Released Claims" or "Settled Claims."

1 5.5 Release of PAGA Claims. Upon the Court's approval of the PAGA Payment and this
2 release of PAGA Claims, Plaintiff and the PAGA Employees and all persons purporting to act on the
3 PAGA Employees' behalf or purporting to assert a claim under or through them, hereby do and shall
4 be deemed to have fully, finally, and forever released, settled, compromised, relinquished and
5 discharged any and all of the Released Parties of and from any and all PAGA claims premised in whole
6 or in part on any of the claims set forth in sections 5.4 above that arose at any time from February 13,
7 2019 (collectively, the "PAGA Claims") through June 30, 2021 or the date upon which the Court
8 grants Preliminary Approval of this Settlement, whichever is sooner, to the extent the PAGA claims
9 were alleged in the Second Amended Complaint. The PAGA Employees will be issued a check for
10 their share of the PAGA Payment and will not have the opportunity to opt out of, or object to, the
11 PAGA Payment and release of the PAGA Claims set forth in this Paragraph. The PAGA Employees
12 are bound by the release of the PAGA Claims regardless of whether they cash their PAGA Payment
13 Check.

14 5.6 Communication to the Class. The Parties agree for settlement purposes only that,
15 because the Class Members are so numerous, it is impossible or impracticable to have each Class
16 Member execute this Agreement. Accordingly, the Class Notices will advise all Class Members of the
17 binding nature of the release of claims and such notices shall have the same force and effect as if the
18 Agreement were executed by each Class Member.

19 5.7 Representation by Plaintiff. The Plaintiff and Class Counsel represent, covenant, and
20 warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to
21 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
22 cause of action, or rights herein released and discharged, except as set forth herein.

23 5.8 Plaintiff's Complete And General Release. As to Plaintiff only, in exchange for the
24 consideration set forth in this Agreement, including the Class Representative Enhancement, Plaintiff,
25 for himself and his heirs, successors and assigns, does hereby waive, release, acquit and forever
26 discharge the Released Parties, from any and all claims, actions, charges, complaints, grievances and
27 causes of action, of whatever nature, whether known or unknown, which existed or occurred on or
28 before Preliminary Approval, including but not limited to, and specifically and expressly to the

1 maximum extent permitted by law, any claims against Defendant and the Released Parties, occurring
2 prior to Preliminary Approval, arising out of or related to violations of any federal or state employment
3 discrimination laws, including the California Fair Employment and Housing Act; Title VII of the Civil
4 Rights Act of 1964; the federal Family and Medical Leave Act; the California Family Rights Act; the
5 Americans With Disabilities Act; the National Labor Relations Act; the Equal Pay Act; the Employee
6 Retirement Income Security Act of 1974; as well as claims arising out of or related to violations of the
7 provisions of the California Labor Code; the California Civil Code; the California Government Code;
8 California Wage Orders, the California Business & Professions Code, including California Business
9 & Professions Code Section 17200 *et seq.*; PAGA; state and federal wage and hour laws; breach of
10 contract; fraud; misrepresentation; common counts; unfair competition; unfair business practices;
11 negligence; defamation; infliction of emotional distress; and any other state or federal law, rule, or
12 regulation. Plaintiff also waives any and all rights conferred upon him under Section 1542 of the
13 California Civil Code, which provides as follows:

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

21 This release does not include any pending claims for workers' compensation benefits that Plaintiff
22 may have against Defendant, or any other claim that cannot be released by law. Any Class
23 Representative Enhancement approved by the Court shall be paid to the Class Representative from the
24 Gross Settlement Amount, and shall be in addition to any distribution to which he may otherwise be
25 entitled as a Class Member and PAGA Employee. The Class Representative Enhancement shall not
26 be considered wages, and Settlement Administrator shall issue Plaintiff a Form 1099 reflecting such
27 payment.

28 5.9 No Pending Or Future Lawsuits By Plaintiff. Other than this Action, Plaintiff

1 represents that he does not have any pending lawsuits, administrative complaints or charges against
2 Defendant or the Released Parties in any local, state or federal court or administrative agency. Plaintiff
3 further acknowledges that all claims raised therein, if any, shall be fully and finally extinguished by
4 virtue of this Settlement Agreement and the Court's Final Approval Order. Plaintiff further represents
5 that he will not bring any action in the future in which he seeks to recover any damages from Defendant
6 or the Released Parties relating to or arising from Plaintiff's employment, other than an action to
7 enforce his rights under this Settlement Agreement.

8 5.10 Settlement Approval And Implementation Procedures. As part of this Settlement, the
9 Parties agree to the following procedures for obtaining the Court's Preliminary Approval of the
10 Settlement, notifying Class Members of the Settlement, obtaining the Court's Final Approval of the
11 Settlement, and processing Individual Settlement Payments.

12 5.11 Release of Claims by Class Counsel. Upon receipt of Class Counsel's Fees and
13 Expenses, as ordered by the Court on final approval of the Class Settlement, Class Counsel shall fully
14 and finally release Defendant and the Released Parties from any and all claims for attorneys' fees and
15 expenses arising from the Action and any claims released by the Plaintiff and Class Members related
16 to the action, whether known and unknown, whether under federal, state and/or local law, statute,
17 ordinance, regulation, common law, or other source of law. Class Counsel's Released Claims and
18 PAGA Claims include, but are not limited to, claims for attorneys' fees and expenses arising from or
19 dependent on the California Civil Code, the California Code of Civil Procedure, the California Labor
20 Code; the Wage Orders of the California Industrial Welfare Commission; California Business and
21 Professions Code sections 17200, *et seq.*; California Labor Code sections 2698, *et seq.*; the California
22 common law of contract and tort, and the Fair Labor Standards Act.

23 5.12 Labor Code Sections Do Not Apply To Releases. The Parties agree that California
24 Labor Code sections 206.5 and 2804 do not invalidate any provision of this Agreement, because
25 among other things, the claims and Released Claims and PAGA Claims are disputed and contested,
26 and the Settlement was bargained for at arms' length and approved by the Court.

27 **6. COURT APPROVAL AND EFFECTIVE DATES**
28

1 6.1 Motions Seeking Approval of Settlement and Order. Upon execution of this
2 Agreement, Plaintiff shall file a motion in the Action requesting that the Court enter a Preliminary
3 Approval Order as follows:

4 6.1.1 Approving, contingent upon Final Approval of the Class Settlement, the PAGA
5 Settlement, including the PAGA Payment, distribution plan of the PAGA Payment, and the release of
6 the PAGA Claims set forth in this Agreement and preliminarily approving for settlement purposes
7 only the remaining portions of the proposed Settlement;

8 6.1.2 Preliminarily approving the appointment of the Plaintiff as representative of the
9 Class for settlement purposes only;

10 6.1.3 Preliminarily approving the appointment of Class Counsel as counsel for the
11 Class for settlement purposes only;

12 6.1.4 Appointing and approving the Settlement Administrator as chosen by the
13 Parties and approved by the Court, to administer the claims and settlement payment procedures
14 required by this Agreement;

15 6.1.5 Approving the form of the Class Notices, and requiring that individualized
16 Class Notice be sent to Class Members;

17 6.1.6 Approving the plan for the provision of notice to Class Members, as stated
18 herein and in the Class Notices;

19 6.1.7 Scheduling the Final Approval Hearing for consideration of class certification
20 for settlement purposes and final approval of this Agreement;

21 6.1.8 Approving the procedure for Class Members to challenge the estimated
22 Individual Settlement Payment set forth in the Class Notice and the date after which no Class Member
23 shall be allowed to submit a challenge;

24 6.1.9 Approving the procedure for Class Members to opt out of the Class Settlement
25 and the date after which no Class Member shall be allowed to submit a request to opt out; and

26 6.1.10 Approving the procedure for Class Members to object to the Class Settlement
27 and the date after which no Class Member shall be allowed to object.

28 6.2 Defendant will not oppose Plaintiff's filed motion for Preliminary Approval of

1 Settlement.

2 6.3 Should the LWDA provide notice of intent to investigate the alleged violations set forth
3 in Plaintiff's February 11, 2020 LWDA Letter, this Agreement is deemed null and void.

4 6.4 Binding Effect of Agreement on Class Members. Upon the Court's entry of its Final
5 Approval Order, all Participating Class Members shall be bound by this Agreement, and the Action
6 and the Settled Claims shall be dismissed with prejudice and released as against the Released Parties
7 to the greatest extent permitted by law. In addition, unless a Class Member effectively opts out of the
8 Settlement, he or she shall be bound by the Court's Order enjoining all Participating Class Members
9 from pursuing or seeking to reopen Released Claims against the Released Parties to the greatest extent
10 permitted by law. Upon the Court's entry of its Final Approval Order and Judgment regarding the
11 PAGA Payment and the release of the PAGA Claims, all PAGA Employees shall be bound by the
12 release of the PAGA Claims and the PAGA Claims shall be dismissed with prejudice and released as
13 against all the Released Parties to the greatest extent permitted by law.

14 6.5 Non-Interference With Settlement Procedure. The Parties and their counsel agree that
15 they shall not seek to solicit or otherwise encourage Class Members to submit an Opt-Out Request or
16 an objection to the Settlement or to appeal from the Preliminary Approval Order and Order Approving
17 PAGA Settlement, Final Approval Order or Final Judgment.

18 6.6 Final Approval Order and Judgment. Plaintiff will request that the Court enter, after
19 the Final Approval Hearing finally approving the Class Settlement, a Final Approval Order and
20 Judgment. Plaintiff will request that the Final Approval Order certify the Class for settlement purposes;
21 find that this Agreement is fair, just, equitable, reasonable, adequate and in the best interests of the
22 Class; permanently enjoin all Participating Class Members from pursuing or seeking to reopen
23 Released Claims against the Released Parties; and require the Parties to carry out the provisions of
24 this Agreement. Plaintiff agrees to provide his motion for final approval of the class settlement to
25 Defendant for review no later than seven (7) days before the filing date.

26 6.7 Entry of Final Judgment. Plaintiff (or Plaintiff jointly with Defendant) will request that
27 the Court enter, after or concurrently with the Final Approval Hearing, a Final Approval Order and
28 Judgment as agreed to by the Parties. Notice of Final Judgment will be given to the class along with

1 distribution of the Individual Settlement Payment, and be posted on the website maintained by the
2 Settlement Administrator for a period of no less than 90 days. The Class Notice shall advise the Class
3 that the Final Approval Order and Judgment will be posted to a website address maintained by the
4 Settlement Administrator.

5 6.8 Effective Date Of Agreement. The “Effective Date” of the Class Settlement portion of
6 this Agreement is the last date of: (a) final approval of this Agreement by the Court; (b) if there are
7 objections to the Settlement which are not withdrawn, and if an appeal, review or writ is not sought
8 from the Judgement, the day after the time for appeal of entry of Judgement has expired; or (c) if an
9 appeal, review or writ is sought from the Judgment, the day after the Judgment is affirmed or the
10 appeal, review or writ is dismissed or denied, and the Judgement is no longer subject to judicial review.

11 The Effective Date is conditioned upon all of the following occurring:

12 6.8.1 This Agreement has been signed by the Parties and Class Counsel;

13 6.8.2 The Court has entered a Preliminary Approval Order and Order Approving
14 PAGA Settlement;

15 6.8.3 The Class Notice has been mailed to the Class Members as ordered by the Court
16 in this Action;

17 6.8.4 The Court has entered a Final Approval Order and Judgment; and

18 6.8.5 Settlement Administrator has provided Defense Counsel with written wire/bank
19 transfer instructions, including the Settlement Administrator’s address, the bank name, bank address,
20 account number, account name, ABA number, and SWIFT Code.

21 The effective date of the PAGA Settlement portion of this Agreement, including the release of
22 the PAGA Claims, shall be the date the approving Court has approved the PAGA Payment and release
23 of the PAGA Claims in the form of a Judgment on the PAGA claims as set forth in this Agreement.

24 6.9 Defendant’s Option to Void of Agreement if Settlement Not Finalized. If the Court
25 refuses to approve any economic term or term related to the scope of the release, including the
26 Released Claims or the Released Parties, then Defendant, at its option, may void the Settlement. If
27 Defendant elects to void the Settlement, Defendant shall be responsible for any administrative costs
28 incurred to date. In such case, the Settlement shall be null and void and all orders, judgment, and

1 dismissal entered pursuant to this Agreement shall be vacated, and the Parties will be returned to the
2 status quo prior to entering this Agreement with respect to the Action, as if the Parties had never
3 entered into this Agreement, and the settlement class certified pursuant to this Agreement will be
4 decertified for all purposes, except where the approving Court has approved the PAGA Payment and
5 release of the PAGA Claims set forth in this Agreement and Defendant has issued the PAGA Payment,
6 the release of the PAGA Claims shall be binding. In addition, in such event, the Agreement (including
7 all exhibits, drafts and related documents, papers, and communications) and all negotiations, court
8 orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties
9 hereto, and evidence relating to the Agreement (including all exhibits, drafts and related documents,
10 papers, and communications) and all negotiations shall not be admissible or discoverable in the Action
11 or otherwise, except where the approving Court has approved the PAGA Payment and release of the
12 PAGA Claims set forth in this Agreement and Defendant has issued the PAGA Payment, the release
13 of the PAGA Claims shall be binding. The Parties agree to return to mediation in an attempt to address
14 the concerns of the Court, and upon reaching an agreement, submit a revised agreement to Court.

15 6.10 Confidentiality and Non-Disparagement and Returning Documents. The Parties agree
16 that the terms of the Agreement shall be confidential until the filing of Plaintiff's Motion for
17 Preliminary Approval. This confidentiality agreement shall not prevent any counsel from conferring
18 with and advising clients who have retained them, provided that the clients agree to abide by this
19 temporary confidentiality agreement. Class Counsel are authorized to discuss the terms of the
20 Settlement with any Class Member.

21 6.10.1 Plaintiff agrees that he shall not promote, or publicize the filing of this Action,
22 the Parties' Settlement, this Agreement and its terms, or the negotiations leading to this Agreement
23 with anyone other than the Court. Notwithstanding the foregoing, Plaintiff may disclose the terms of
24 this Agreement to his spouse, Class Members, to those persons to whom disclosure is necessary for
25 the preparation of tax returns and other financial reports, and to persons to whom disclosure is ordered
26 by a court of competent jurisdiction or otherwise required by law. Plaintiff agrees that he may disclose
27 the terms of the Settlement to his spouse, but only so long as he first obtains his spouse's express
28 agreement to maintain that information in confidence.

1 6.10.2 The Parties and their counsel agree that they will not issue any press releases,
2 engage in any communications, or take any other action that would directly or indirectly provide the
3 press or media or any litigation reporting service with information about this Action, this Agreement,
4 or the Parties' Settlement or would otherwise enable or allow the press or other media or any litigation
5 reporting service to learn or obtain such information; except that Defendant shall have the right to
6 disclose the Settlement and information related thereto as may be required under federal or state
7 securities laws, under generally accepted accounting principles, or in Defendant's judgment are
8 required under the ordinary course of business, and Defendant shall also have the right to respond in
9 reasonably general terms to inquiries from the media and investment-related entities. Plaintiff and his
10 counsel agree not to post any information concerning this Settlement on the internet or social media,
11 including Facebook, Twitter, Instagram and Snapchat. The Parties and their counsel further agree that
12 they will not post any information regarding this Agreement or the Settlement on their internet
13 websites or take any such action that would cause or allow such information to be posted on any other
14 internet website or on the web.

15 6.11 Invalidation of Agreement for Failure to Satisfy Conditions. The terms and provisions
16 of this Agreement are not recitals, but are deemed to constitute contractual terms. In the event that any
17 of the material terms or conditions set forth in this Agreement are not fully and completely satisfied,
18 this Agreement shall terminate and all terms of the Agreement including, but not limited to, the
19 conditional certification of the Class, the payment of Individual Settlement Amounts to Participating
20 Class Members, and the payment of the PAGA Payment shall be null and void. In such event, nothing
21 in this Agreement shall be used, construed or admissible as evidence by or against any Party or
22 Released Party as a determination, admission, or concession of any issue of law or fact in this Action,
23 or in any other proceeding for any purpose; and the Parties do not waive, and instead expressly reserve,
24 their respective rights to prosecute and defend this Action as if this Agreement never existed. In
25 addition, notwithstanding the generality of the foregoing, if this Agreement is terminated for failure
26 to satisfy any of the terms or conditions of this Agreement, Defendant shall not be obligated to create
27 or maintain any type of settlement fund, and shall not be obligated to pay any amount in the Gross
28 Settlement Amount to any Class Member and/or PAGA Employee, to Class Counsel, to the Settlement

1 Administrator, to the State of California or to the Plaintiff. In event the approving Court has approved
2 the PAGA Payment and release of the PAGA Claims set forth in this Agreement and Defendant has
3 issued the PAGA Payment, the release of the PAGA Claims shall be binding. The amount of the Class
4 Representative Enhancement and the amount of the Class Counsel's Fees and Expenses are not
5 material terms of the Settlement. Failure of the Court to award the requested Class Representative
6 Enhancement or award the requested Class Counsel's Fees and Expenses are not grounds to void this
7 Settlement.

8 **7. SETTLEMENT PAYMENT PROVISIONS**

9 7.1 Allocation of Gross Settlement Amount. Subject to Court approval and the conditions
10 specified in this Agreement, and in consideration of the mutual covenants and promises set forth
11 herein, Defendant agrees to make a total settlement payment under this Agreement in the amount of
12 \$460,000 (the "Gross Settlement Amount"). The Gross Settlement Amount includes, but is not limited
13 to, payments to be made for (1) Class Counsel's Fees and Expenses; (2) the Class Representative
14 Enhancement; (3) Administrative Expenses; (4) PAGA Payment; and (5) Net Settlement Amount. The
15 Parties agree, subject to Court approval, that the Gross Settlement Amount shall be apportioned as
16 follows:

17 7.2 At the Final Approval Hearing, Class Counsel will apply to the Court for an award of
18 attorneys' fees incurred by Class Counsel not to exceed one-third of the Gross Settlement Amount,
19 which is \$153,333.33. At the Final Approval Hearing, Class Counsel will also apply to the Court for
20 recovery of actual costs incurred by Class Counsel in the Action, not to exceed \$15,000. Defendant
21 will not oppose such application provided that Class Counsel does not seek to recover more than the
22 maximum amounts as stated in this Paragraph. Approval of the Settlement shall not be contingent
23 upon approval of the attorneys' fees award or the costs award, and approval of the requested attorneys'
24 fees and costs award is not a material term of this settlement.

25 These fees and costs are included in, and shall come from, the Gross Settlement Amount. The
26 Class Counsel's Fees and Expenses approved by the Court shall encompass: (a) all work performed
27 and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the
28 Class and/or PAGA Employees through the date of this Agreement; (b) all work to be performed and

1 costs to be incurred in connection with approval by the Court of the Settlement and the termination of
2 this Action; (c) all work to be performed and costs and expenses, if any, incurred in connection with
3 administering the Settlement through the termination of the Action, with prejudice; and (d) may be
4 based *inter alia* on the Common Fund Doctrine and/or the Catalyst Theory.

5 Class Counsel must provide Defendant with IRS Forms W-9, so that Defendant may issue IRS
6 Forms 1099 misc. To the extent attorneys' fees are not approved in the full amount of \$153,333.333
7 as set forth above, then the amount not approved will be a part of the Net Settlement Amount for
8 distribution to the Participating Class Members on a *pro rata* basis. Similarly, to the extent costs sought
9 by Class Counsel are not approved in their entirety, any sum not approved will be a part of the Net
10 Settlement Amount for distribution to the Participating Class Members on a *pro rata* basis. Except as
11 provided in this Paragraph, upon final approval, each Party shall bear his or its own attorneys' fees,
12 costs, and expenses incurred in the prosecution, defense, and settlement of the Action. Class Counsel
13 reserves the right to appeal an award of attorney's fees that is less than twenty-five (25%) of the Gross
14 Settlement Amount, which is \$115,000.

15 7.2.1 At the Final Approval Hearing, Class Counsel will apply to the Court for the
16 Class Representative Enhancement in the amount of up to \$7,500.00 to be paid to Plaintiff for his
17 services and for assuming the risks associated with this litigation. Defendant will not oppose such
18 application. Approval of the Settlement shall not be contingent upon approval of the Class
19 Representative Enhancement, and approval of the requested Class Representative Enhancement is not
20 a material term of this settlement.

21 Any Class Representative Enhancement is included in, and shall come from, the Gross
22 Settlement Amount. If the Court approves and awards a Class Representative Enhancement in an
23 amount less than \$7,500.00, as set forth above, the amount not approved will be a part of the Net
24 Settlement Amount for distribution to the Participating Class Members on a *pro rata* basis. The Class
25 Representative Enhancement payable to the Plaintiff shall be in addition to any Individual Settlement
26 Payment he may receive.

27 Subject to Court approval, an amount of \$45,000 shall be paid to the State of California
28 LWDA. This amount is 75% of the \$60,000 PAGA Payment that the Parties have agreed is to be paid

1 in settlement of all claims for civil penalties under the PAGA. The remaining 25% of the \$60,000
2 PAGA payment, which amounts to \$15,000 of the PAGA Payment, shall be distributed *pro rata* to all
3 PAGA Employees, based on the number of PAGA Pay Periods worked by a PAGA Employee, as a
4 fraction of the PAGA Pay Period Value. The portion of the PAGA payment to the PAGA Employees
5 shall be treated entirely as penalties. PAGA Employees will not have the opportunity to opt out or
6 object to the PAGA Payment and/or release of PAGA Claims set forth in this Agreement although the
7 PAGA Settlement will be subject to Court approval. In the event the LWDA rejects this allocation,
8 the Parties will meet and confer with the Court and the LWDA to reach a penalty allocation acceptable
9 to all parties that does not materially alter the terms of Settlement, nor require Defendant to pay more
10 than the Gross Settlement Amount. At the same time that Plaintiff files his Motion for Preliminary
11 Approval, Plaintiff shall send a copy of the Agreement to the LWDA pursuant to the 2016 amendments
12 to PAGA. The PAGA Payment shall be paid from the Gross Settlement Fund. Defendant represents
13 that there are approximately 2,864 PAGA Pay Periods.

14 7.2.2 Subject to Court approval, an estimated amount of \$7,000 will be set aside from
15 the Gross Settlement Amount to cover any of the Settlement Administrator's Administrative Expenses,
16 based upon the "not-to-exceed" bid accepted by the Parties. The Parties agree to use Phoenix
17 Settlement Administrator as the Settlement Administrator. If any portion of the \$7,000 amount for
18 Phoenix Settlement Administrator's expenses remains unused, it will go to the Net Settlement
19 Amount. The amount stated herein for Settlement Administrator's Administrative Expenses is the
20 Parties' best estimate of the amount of such expenses, based upon information known to the Parties at
21 this time.

22 7.2.3 The Settlement Administrator shall calculate the Employers' Taxes and inform
23 Defendant of the amount of Employers' Taxes to be paid by Defendant separate and apart from the
24 Gross Settlement Amount.

25 7.2.4 After deducting the amounts specified in Paragraph 7, each Participating Class
26 Member shall be entitled to a *pro rata* portion of the remaining amount of the Gross Settlement
27 Amount, which is known as the Net Settlement Amount. Individual Settlement Payments shall be
28 awarded to Participating Class Members from the Net Settlement Amount based on the individual's

1 Total Class Pay Periods multiplied by the Class Pay Period Value plus the individual's Total PAGA
2 Pay Periods by the PAGA Pay Period Value (to the extent the Class Members is also a PAGA
3 Employee). The Individual Settlement Payment will be reduced by any required legal deductions.

4 The Parties agree that the entire amount of the Net Settlement Amount, less applicable
5 Employee's Taxes, shall be distributed to Participating Class Members. Any Class Member who is
6 not a Participating Class Member shall not receive an Individual Settlement Payment, but if he/she is
7 a PAGA Employee, such individual will still receive his/her *pro rata* share of the PAGA Payment to
8 the PAGA Employees.

9 7.3 Taxation of Settlement Proceeds. All Individual Settlement Payments paid to
10 Participating Class Members and any Class Representative Enhancement paid to Plaintiff shall be paid
11 in a net amount after applicable state and federal withholdings, including payroll taxes, have been
12 deducted. The Parties acknowledge and agree that: (1) no provision of this Agreement, and no written
13 communication or disclosure between or among the Parties, Class Counsel, or Defendant's Counsel
14 and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute
15 or be construed or be relied upon as, tax advice within the meaning of United States Treasury
16 Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party: (a) has relied
17 exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax
18 advice) in connection with this Agreement, (b) has not entered into Settlement Agreement based upon
19 the recommendation of any other party or any attorney or advisor to any other party; and (c) is not
20 entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to
21 avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser
22 to any other party has imposed any limitation that protects the confidentiality of any such attorney's
23 or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by
24 the acknowledging party of the tax treatment or tax structure of any transaction, including any
25 transaction contemplated by this Settlement Agreement.

26 7.3.1 The Parties agree that forty percent (40%) of the Net Settlement Amount paid
27 to Participating Class Members will be considered wages, and will be reported as such to each
28 Participating Class Member on an IRS Form W-2. The Parties agree that sixty percent (60%) of the

1 Net Settlement Amount paid to Participating Class Members will be considered civil penalties and
2 interest, and will be reported as such to each Participating Class Member on an IRS Form 1099 misc.,
3 if applicable. The foregoing tax allocation shall apply to sums paid to Plaintiff. The Parties further
4 agree that the PAGA payment distributed to each PAGA Employee will be treated entirely as civil
5 penalties, and will be reported as such to each PAGA Employee on an IRS Form 1099 misc., if
6 applicable.

7 7.3.2 The Settlement Administrator shall calculate, withhold from each Individual
8 Settlement Payment and the Class Representative Enhancement, and remit to applicable governmental
9 agencies sufficient amounts as may be owed by the Participating Class Members and Plaintiff for
10 applicable employee taxes. The Settlement Administrator will issue appropriate tax forms to each
11 Participating Class Member and PAGA Employee consistent with the foregoing breakdown.

12 7.3.3 The Parties agree that the Gross Settlement Amount will qualify as a settlement
13 fund pursuant to the requirements of section 468(B)(g) of the Internal Revenue Code of 1986, as
14 amended, and section 1.468B-1. *et seq.* of the income tax regulations. Furthermore, the Settlement
15 Administrator is hereby designated as the “Administrator” of the qualified settlement funds for
16 purposes of section 1.46B-2(k) of the income tax regulations. As such, all taxes imposed on the gross
17 income of the Gross Settlement Amount and any tax-related expenses arising from any income tax
18 return or other reporting document that may be required by the Internal Revenue Service or any state
19 or local taxing body will be paid from the Gross Settlement Amount.

20 7.3.4 All Parties represent that they have not received, and shall not rely on, advice
21 or representations from the other Party or her/its agents regarding the tax treatment of payments under
22 federal, state or local law.

23 7.4 No Credit Toward Benefit Plans. Except as otherwise required by applicable plan
24 documents, the Individual Settlement Payments, Class Representative Enhancement and PAGA
25 Payment made to Plaintiff, Class Members and PAGA Employees under this Agreement shall not be
26 utilized to calculate any additional benefits under any benefit plans to which any Plaintiff, Class
27 Members and/or PAGA Employees may be eligible including, but not limited to: retirement plans,
28 profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans,

PTO plans, pension plans, or any other benefit plan. It is the Parties' intention that this Agreement will not affect any rights, contributions, or amounts to which Plaintiff, Class Members and PAGA Employees may be entitled under any benefit plans.

8. GENERAL PROVISIONS

8.1 Notices. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered personally or by first class mail to the Settlement Administrator appointed by the Court and to counsel at their respective addresses as set forth below:

CLASS COUNSEL

Kane Moon
H. Scott Leviant
Ani Martirosian
Moon & Yang, APC
1055 W. Seventh St., Suite 1880
Los Angeles, CA 90017

DEFENSE COUNSEL

Keith Jacoby
Rachael Lavi
Lauren Schwartz
Littler Mendelson, P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067.3107

8.2 Nullification Of Settlement Agreement. In the event: (1) the Court does not enter the Preliminary Approval Order as provided herein; (2) the Court does not enter a Final Approval Order as provided herein; (3) the Settlement does not become final for any other reason; or (4) Judgment is not entered by the Court dismissing the lawsuit as to all Claims as to all Class Members with prejudice, this Settlement Agreement shall be null and void and any order entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. In such case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement and the Parties shall proceed in all respects as if this Agreement had not been executed.

8.3 Headings. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience only and do not constitute a part of this Settlement Agreement.

1 8.4 Interim Stay Of Proceedings. The Parties agree to stay all proceedings in the Action,
2 except such proceedings necessary to implement and complete the Settlement, pending the Final
3 Approval Hearing to be conducted by the Court.

4 8.5 Amendment Or Modification. This Settlement Agreement may be amended or
5 modified only by a written instrument signed by Defense and Class Counsel or their successors-in-
6 interest.

7 8.6 Entire Agreement. This Settlement Agreement constitute the entire agreement among
8 the Parties, and no oral or written representations, warranties or inducements have been made to any
9 Party concerning this Settlement Agreement other than the representations, warranties and covenants
10 contained and memorialized in the Settlement Agreement.

11 8.7 Authorization To Enter Into Settlement Agreement. The person or persons signing this
12 Settlement Agreement on behalf of Defendant represents and warrants that he/she/they are authorized
13 to sign this Settlement Agreement on behalf of Defendant. Plaintiff represents and warrants that he is
14 authorized to sign this Settlement Agreement and that he has not assigned any Claim covered by this
15 Settlement to a third-party. Plaintiff, by signing this Settlement Agreement, is bound by the terms
16 herein and further agrees not to submit any Request for Exclusion from or Notice of Objection to the
17 Settlement. Any such Request for Exclusion or Notice of Objection shall therefore be void and of no
18 force or effect.

19 8.8 Signature of all Class Members Unnecessary to be Binding. The Parties agree that
20 because the Class Members are numerous, it is impossible or impractical to have each Class Member
21 execute this Agreement. The Notice will advise all Class Members of the binding nature of the release
22 provided herein and shall have the same force and effect as if the Agreement were executed by each
23 Class Member. The only Class Members who will not be bound by the terms of this Agreement are
24 those who submit a timely and valid Request for Exclusion.

25 8.9 Binding On Successors And Assigns. This Settlement Agreement shall be binding
26 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

27 8.10 Captions. The captions and section numbers in this Agreement are inserted for the
28 reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the

1 provisions of this Agreement.

2 8.11 California Law Governs. All terms of this Settlement Agreement shall be governed by
3 and interpreted according to the laws of the State of California.

4 8.12 Mutual Cooperation. The Parties agree to fully cooperate with each other to accomplish
5 the terms of this Agreement, including but not limited to, execution of such documents and to take
6 such other action as may be necessary to implement the terms of this Agreement. The Parties to this
7 Agreement shall use their best efforts, including all reasonable efforts contemplated by this Agreement
8 and any other reasonable efforts that may become necessary by order of the Court, or otherwise, to
9 effectuate this Agreement and the terms set forth herein.

10 8.13 Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
11 conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly against
12 one party than another merely by virtue of the fact that it may have been prepared by counsel for one
13 of the Parties, it being recognized that, because of the arms-length negotiations between the Parties,
14 all Parties have contributed to the preparation of this Agreement.

15 8.14 Severability. The Parties to this Agreement agree, covenant, and represent that each
16 and every provision of this Agreement shall be deemed to be contractual, and that they shall not be
17 treated as mere recitals at any time or for any purpose. Therefore, the Parties further agree, covenant,
18 and represent that each and every provision of this Agreement shall be considered severable, except
19 for the release provisions of Paragraph 5 of this Agreement. If a court of competent jurisdiction finds
20 the release provisions of Paragraph 5 of this Agreement to be unenforceable or invalid as against a
21 Class Member, then this Agreement shall become voidable and the payments made pursuant to this
22 Agreement to that Class Member shall be returned to Defendant by that Class Member as to whom
23 the release provisions have been found unenforceable or invalid. If a court of competent jurisdiction
24 finds any provision, other than the release provisions of Paragraph 5, or part thereof to be invalid or
25 unenforceable for any reason, that provision, or part thereof, shall be severed from the Agreement, and
26 all of the remaining provisions of this Agreement shall remain in full force and effect.

27 8.15 Warranties and Representations. With respect to themselves, each of the Parties to this
28 Agreement and or their agent or counsel represents, covenants and warrants that (a) they have full

1 power and authority to enter into and consummate all transactions contemplated by this Agreement
2 and have duly authorized the execution, delivery and performance of this Agreement; and (b) the
3 person executing this Agreement has the full right, power and authority to enter into this Agreement
4 on behalf of the party for whom he/she has executed this Agreement, and the full right, power and
5 authority to execute any and all necessary instruments in connection herewith, and to fully bind such
6 party to the terms and obligations of this Agreement.

7 8.16 Representation by Counsel. The Parties acknowledge that they have been represented
8 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
9 Agreement has been executed with the consent and advice of counsel. Further, the Plaintiff and Class
10 Counsel warrant and represent that there are no liens on the Agreement, and that Defendant may
11 distribute funds to the Class Members, Class Counsel, and the Plaintiff as provided by this Agreement.

12 8.17 Action to Enforce Agreement. In any suit or court action to enforce the terms of this
13 Agreement, the prevailing party shall be entitled to recover his or its attorneys' fees and costs.

14 8.18 Authorization by Plaintiff. The Plaintiff authorizes Class Counsel to sign this
15 Agreement and further agrees not to request to be excluded from the Class and not to object to any
16 terms of this Agreement. Any such request for exclusion or objection shall therefore be void and of no
17 force or effect.

18 8.19 Counterparts. This Settlement Agreement shall become effective upon its execution
19 by all of the undersigned. Plaintiff, Class Counsel and Defendant may execute this Settlement
20 Agreement in counterparts, which shall have the same force and effect as if each had signed the same
21 instrument. Copies of the executed Settlement Agreement shall be effective for all purposes as though
22 the signatures contained therein were original signatures.

23 IN WITNESS WHEREOF, the Parties and their counsel have executed this Agreement on the
24 date below their signatures or the signature of their representatives. The date of the Agreement shall
25 be the date of the latest signature.
26
27
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1 IT IS SO STIPULATED AND AGREED.

2 Dated: January 27, 2021



MORSCO SUPPLY, LLC (D/B/A EXPRESS
PIPE & SUPPLY)

BY: Maruchy Cantu

ITS: CHARO

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8 Dated: January __, 2021

MARK PEREIDA, Plaintiff

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10
11 Dated: January __, 2021

KANE MOON

H. SCOTT LEVIANT

ANI MARTIROSIAN

MOON & YANG

Attorneys for Plaintiff

MARK PEREIDA, INDIVIDUALLY AND ON
BEHALF OF ALL OTHERS SIMILARLY
SITUATED

12
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19 Dated: January __, 2021

KEITH JACOBY

RACHAEL LAVI

LAUREN SCHWARTZ

LITTLER MENDELSON, P.C.

Attorneys for Defendant

MORSCO SUPPLY, LLC (D/B/A) EXPRESS
PIPE & SUPPLY CO., LLC

IT IS SO STIPULATED AND AGREED.

Dated: January __, 2021

MORSCO SUPPLY, LLC (D/B/A EXPRESS
PIPE & SUPPLY)

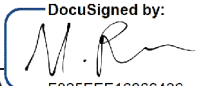
BY: _____

ITS: _____

1/13/2021

Dated: January __, 2021

DocuSigned by:

MA  F025EEE16066436..., Plaintiff

Dated: January 13, 2021



KANE MOON

H. SCOTT LEVIANT
ANI MARTIROSIAN
MOON & YANG

Attorneys for Plaintiff

MARK PEREIDA, INDIVIDUALLY AND ON
BEHALF OF ALL OTHERS SIMILARLY
SITUATED

Dated: January __, 2021

KEITH JACOBY
RACHAEL LAVI
LAUREN SCHWARTZ
LITTLER MENDELSON, P.C.

Attorneys for Defendant

MORSCO SUPPLY, LLC (D/B/A) EXPRESS
PIPE & SUPPLY CO., LLC.

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IT IS SO STIPULATED AND AGREED.

Dated: January ____, 2021

MORSCO SUPPLY, LLC (D/B/A EXPRESS
PIPE & SUPPLY)
BY: _____
ITS: _____

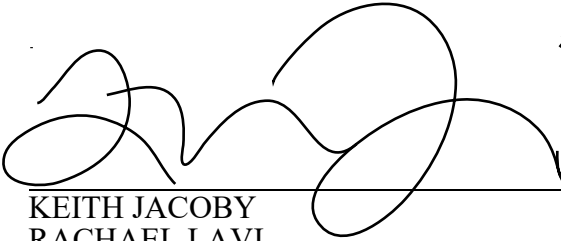
Dated: January __, 2021

MARK PEREIDA, Plaintiff

Dated: January ____, 2021

KANE MOON
H. SCOTT LEVIANT
ANI MARTIROSIAN
MOON & YANG
Attorneys for Plaintiff
MARK PEREIDA, INDIVIDUALLY AND ON
BEHALF OF ALL OTHERS SIMILARLY
SITUATED

Dated: January 27, 2021



KEITH JACOBY
RACHAEL LAVI
LAUREN SCHWARTZ
LITTLER MENDELSON, P.C.
Attorneys for Defendant
MORSCO SUPPLY, LLC (D/B/A) EXPRESS
PIPE & SUPPLY CO., LLC.

4837-9351-3170.2 095788.1004

Exhibit “A”

NOTICE OF PROPOSED CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT

Pereida v. Morsco Supply, LLC, et al.
Los Angeles Superior Court Case No. 20STCV05543

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE A NON-EXEMPT EMPLOYEE OF MORSCO SUPPLY, LLC (doing business as Express Pipe & Supply Co., LLC) (“DEFENDANT”) WHO WORKED IN CALIFORNIA AT ANY TIME BETWEEN DECEMBER 1, 2018 AND [DATE OF PRELIMINARY APPROVAL or June 30, 2021, whichever is earlier] (THE “CLASS PERIOD”) AND DID NOT SIGN A SEVERANCE AND/OR A RELEASE AGREEMENT PRIOR, DURING AND/OR AT THE TERMINATION OF YOUR EMPLOYMENT, THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Mark Pereida, individually, and on behalf of all others similarly situated v. Morsco Supply LLC, a limited liability company; Express Pipe & Supply Co., LLC, a limited liability company and DOES 1-20*, Los Angeles Superior Court Case No. 20STCV05543 (the “Action”). The purpose of this Notice of Proposed Class and Private Attorneys General Act of 2004 (“PAGA”) Representative Action Settlement (“Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning final approval of the proposed Settlement will be held before the Hon. Amy D. Hogue on <<FA DATE>>, at <<FA TIME>>, in Department SSC-7 of the Los Angeles Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement is fair, adequate and reasonable. As a Class Member (defined below), you are eligible to receive an Individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered a “Participating Class Member” in the Settlement and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT. DEADLINE TO EXCLUDE YOURSELF: <<RESPONSE DEADLINE>>	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by submitting a written request to be excluded (“Opt-Out Request”). As a result, you will not receive any benefits under the Settlement (other than based on the PAGA Claim). Opt-Out Requests must be submitted by <<RESPONSE DEADLINE>>.
OBJECT TO THE SETTLEMENT. DEADLINE TO SUBMIT WRITTEN OBJECTIONS: <<RESPONSE DEADLINE>>	To object to the Settlement, you may mail a written explanation of why you don’t like the Settlement to the Settlement Administrator, appear at the Final Approval Hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit an Opt-Out Request if you wish to object. <i>Written</i> objections must be submitted by <<RESPONSE DEADLINE>>.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All non-exempt employees of Defendant who worked in the State of California during the Class Period, excluding those non-exempt employees that signed severance and/or release agreements. The “Class Period” is December 1, 2018 through [DATE OF PRELIMINARY APPROVAL or June 30, 2021, whichever is earlier].

According to Defendant’s records, you are a member of the settlement class (“Class Member”). PAGA Employees will automatically receive their *pro rata* share of the \$15,000 allocated from the PAGA Settlement to PAGA Employees, cannot opt-out of the release of PAGA Claims, and will be bound by the release of the PAGA Claims even if they opt-out of the Settlement. Defendant’s records indicate you [ARE/ARE NOT] part of the PAGA Group who worked in the State of California during the PAGA Period of February 13, 2019 through [DATE OF PRELIMINARY APPROVAL or June 30, 2021, whichever is earlier].

What is this case about?

In the Action, Plaintiff Mark Pereida (“Plaintiff”) alleges on behalf of himself and the Class that Defendant: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay all wages at termination; (6) failed to furnish accurate itemized wage statements; (7) violated California’s Unfair Competition Law, California Business and Professions Code § 17200 *et seq.*; and (8) violated provisions of the Labor Code giving rise to civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, *et seq.*]. Plaintiff seeks unpaid wages, actual, consequential and incidental losses and damages, special damages, liquidated damages, injunctive relief, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Kane Moon
H. Scott Leviant
Ani Martirosian
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
scott.leviant@moonyanglaw.com
ani.martirosian@moonyanglaw.com

Defendant’s Counsel

Keith Jacoby
Rachael Lavi
Lauren S. Schwartz
LITTLER MENDELSON, P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067
Telephone: (310) 553-0308
Facsimile: (310) 553-5583
kjacoby@littler.com
rlavi@littler.com
lschwartz@littler.com

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$460,000 (the “Gross Settlement Amount”) for: (a) Individual Settlement Payments to Participating Class Members; (b) the Court-approved Class Representative Enhancement to Plaintiff (\$7,500 to be requested); (c) the Court-approved attorneys’ fees and costs to Class Counsel (“Class Counsel’s Fees and Expenses”) (\$153,333.33 in fees and up to \$15,000 in costs to be requested); (d) payment to the Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (the “LWDA PAGA

Payment”) (\$45,000 of a total of \$60,000 allocated to the PAGA Settlement); and (e) payment to the Settlement Administrator for settlement administration services (“Administrative Expenses”) (not to exceed the estimated maximum of \$7,000).

Individual Settlement Payments. Class Members who do not timely and properly request to be excluded from the Settlement (the “Participating Class Members”) will receive a share of the Net Settlement Amount, and Class Members who are also PAGA Employees will receive a share of the \$15,000 from the PAGA Settlement allocated to PAGA Employees, regardless of whether the request exclusion from the Settlement (the total payment to a Class Member is their “Individual Settlement Payment”).

The “Net Settlement Amount” will be calculated by deducting from the Gross Settlement Amount the Class Counsel’s Fees and Expenses, the Class Representative Enhancement, the PAGA Settlement, and the Administrative Expenses. Payments by Defendant from the Net Settlement Amount will be included in the Individual Settlement Payment to each Class Member who does not timely and properly request to be excluded from the Settlement (“Participating Class Member”).

The Net Settlement Amount shall be divided among all Participating Class Members on a *pro rata* basis based upon the total number of pay periods worked by each Class Member during the Class Period. The portion of the Net Settlement Amount paid to a Participating Class Member = Net Settlement Amount × the pay periods worked by a Participating Class Member ÷ the pay periods worked by all Participating Class Members.

The \$15,000 allocated from the PAGA Settlement to PAGA Employees shall be divided among all PAGA Employees on a *pro rata* basis based upon the total number of pay periods worked by each PAGA Employee during the PAGA Period. The portion of the \$15,000 paid to a PAGA Employee = \$15,000 × the pay periods worked by a PAGA Employee (during the PAGA Period) ÷ the pay periods worked by all PAGA Employees (during the PAGA Period).

Your estimated Individual Settlement Payment is << **Estimated Payment** >> and your covered pay periods during the Class Period based on your hire and/or termination dates is << **Work Weeks** >>. You may seek to dispute the number of your covered pay periods. Such challenges must: (i) be in writing; (ii) state your full name; (iii) include a statement that you are seeking to challenge your estimated Individual Settlement Payment set forth in this Class Notice; (iv) state the number of pay periods you believe you have worked; (v) be signed by you; and (v) be mailed to the Settlement Administrator with a postmark date on or before << **RESPONSE DEADLINE** >> (the “Response Deadline”) at:

Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863

You may produce documentary evidence supporting your contention. Defendant’s records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all pay period disputes, and its decisions will be final and non-appealable. **REMINDER:** If you believe your estimated Individual Settlement Amount is incorrect because your pay periods (the number of total pay periods you worked within the Class Period) are wrong, your deadline to dispute this is << **RESPONSE DEADLINE** >>.

For tax reporting purposes, the payments to Class Members will be allocated 40% as wages and 60% as penalties and interest. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the Individual Settlement Payments. The portion of the Individual Settlement Payments allocated as civil penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC if required by governing tax laws. Any taxes owed on that other miscellaneous income will be the responsibility of Class Members receiving those payments. The employer’s share of any payroll taxes will be separately paid by Defendant.

All checks for Individual Settlement Payments paid to Class Members will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not claimed or negotiated by a Class Member within that time. Any Individual Settlement Payment that is not claimed or negotiated by a Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller’s Office to be held as unclaimed property in the name of each check recipient who is the payee of the check. In such event, the Participating Class Member and PAGA Employees shall nevertheless remain bound by the Settlement.

Within (40) calendar days after the “Effective Date,” the Administrator will distribute the Individual Settlement Payments to all Participating Class Members and PAGA Employees. The “Effective Date” is the last date of: (a) final approval of the Settlement by the Court; (b) if there are objections to the Settlement which are not withdrawn, and if an appeal, review or writ is not sought from the Judgment, the day after the time for appeal of entry of Judgment has expired, or (c) if an appeal, review or writ is sought from the Judgment, the day after the Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Judgment is no longer subject to judicial review.

Payments to Participating Class Members and PAGA Employees will issue only AFTER the payment by Defendant of the Gross Settlement Amount. **PLEASE BE PATIENT AND UPDATE THE SETTLEMENT ADMINISTRATOR WITH YOUR NEW ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE OR YOU RECEIVED THIS NOTICE AS FORWARDED MAIL.**

None of the Parties or their attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel’s Fees and Expenses, the Class Representative Enhancement, Administrative Expenses, the PAGA Payment. Class Counsel will ask the Court to award attorneys’ fees up to \$153,333.33 (one third) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$15,000. In addition, Class Counsel will ask the Court to authorize a Class Representative Enhancement made to Plaintiff, not to exceed \$7,500, for his efforts in bringing the Action on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$7,000.00. A payment in the amount of \$45,000.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$60,000 set aside for payment under PAGA.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement or the full funding of the Settlement, and to the maximum extent permitted by law, all Class Members who do not timely and properly opt-out hereby do, and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties of and from all of the following claims, demands, rights, liabilities and causes of action that were asserted in the operative complaint in the Action or that could have been asserted based on the claims and factual allegations in the operative complaint in the Action, excluding the PAGA Claim but including (1) any claims, demands, rights, liabilities and causes of action for damages, interest, attorney’s fees and costs, injunctive relief, declaratory relief, restitution, or fraudulent business practices based on unpaid wages (including but not limited to minimum wages, straight time wages, and overtime pay), failure to provide meal periods, failure to permit rest breaks, failure to reimburse business expenses, failure to maintain accurate records; failure to furnish accurate wage statements, and failure to pay all wages during employment and at the time of termination; and (2) any claims, demands, rights, liabilities and causes of action for damages, interest, attorney’s fees and costs, injunctive relief, declaratory relief, restitution, or fraudulent business practices under California Labor Code sections 201 through 204, 210, 212, 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and related provisions contained in the California Wage Orders; and the California Business and Professions Code predicated on such Labor Code sections and California Wage Orders, including but not limited to Business and Professions Code section 17200 *et seq.*

With respect to the PAGA Claim, all PAGA Employees, regardless of whether they opt-out of the Class Settlement, shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties of and from the PAGA Claim based in whole or in part on the factual or legal allegations and/or claims in the Complaint and/or Plaintiff’s February 11, 2020 LWDA Letter, to the extent the PAGA claims were alleged in the Second Amended Complaint. These claims shall be collectively referred to as the “Released Claims.” As used above, the “Released Parties” means Defendant Morsco Supply, LLC (d/b/a Express Pipe & Supply Co., LLC) its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys.

No Class Member can request exclusion from the settlement of the PAGA Claim. If you are a Class Member, and this Settlement is approved, you will release the PAGA Claim even if you timely and properly file an Opt-Out Request. The PAGA Employees are bound by the release of the PAGA Claims regardless of whether they cash their PAGA Payment Check.

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class and receiving settlement monies to resolve your class claims, you consent to the release of the Released Claims as described above.

Any amount paid to Participating Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way and you have selected to remain in the Class, you can ask the Court to deny approval of the Settlement by submitting an objection. You can't object to the release of the PAGA Claim or object to the PAGA Payment. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no additional settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object.

You may object to the Settlement in writing or by appearing at the Final Approval Hearing, either in-person or through your attorney. If you appear through your own attorney, you are responsible for paying that attorney. You may appear and orally object regardless of whether you submitted a written objection. Written objections should be sent to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. If you submit a written objection, it should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; (4) the case and number (*Pereida v. Morsco Supply LLC; Express Pipe & Supply Co. LLC*, Case No. 20STCV05543); and (5) be postmarked on or before <<RESPONSE DEADLINE>> and submitted to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the Final Approval Hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Final Approval Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.** If you submit a written objection and then request exclusion from, and opt out of, the Class Settlement, you would be deemed to have waived your objection.

Regardless of the form, an objection, alone will not satisfy the requirement that a Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Class and Receive No Money from the Settlement. You may not seek exclusion from the PAGA portion of this Settlement. However, if you do not want to be part of the Class Settlement, you must submit a written request to be excluded from the Class Settlement to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. In order to be valid, your written request to be excluded from the Class Settlement must be signed and include your full name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement), along with a statement like the following:

“I hereby request to be excluded from the Class Action Settlement in *Pereida v. Morsco Supply, LLC, et al.*”

Your written request to be excluded from the Class Settlement must then be signed and postmarked on or before <<RESPONSE DEADLINE>>. If you do not submit a written request to be excluded from the Class Settlement on

time (as evidenced by the postmark), your written request to be excluded from the Settlement will be rejected, you will be deemed a Participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Class Settlement by the deadline to request exclusion, you will have no further role in the Action as it relates to the Class claims. You will not be able to complain to the Court about any aspect of the Class Settlement and any written objection to the Class Settlement would not be considered valid. **You will not be entitled to any benefit, including money**, as a result of the Action and Settlement, except for any payment you may be receive from the PAGA portion of this Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's Fees and Expenses, the Class Representative Enhancement, the Administrative Expenses, and the PAGA Payment on <<FINAL APPROVAL HEARING DATE & TIME>>, in Department SSC-07 of the Los Angeles Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012. Because of healthcare guidance and Orders of the Los Angeles Superior Court related to COVID-19, the hearing may be a telephonic hearing only. If you wish to attend the Final Approval Hearing telephonically, visit <https://www.lacourt.org/lacc/> for instructions on how to do so. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be posted on a website by the Settlement Administrator for a period of at least 90 days following the entry of that Order in the Court record. That website is: <<[website](#)>>.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement attached to the Declaration of H. Scott Leviant in Support of Plaintiff's Motion for Preliminary Approval. The Joint Stipulation for Class Action and PAGA Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Los Angeles Superior Court. Because of the Los Angeles Superior Court's COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel, at the address listed above.

You may also view documents filed in this case, including the complete Settlement, on the Court's website at: www.lacourt.org/casesummary/ui/index.aspx?casetype=civil. NOTE: If you choose to access documents online, the Court will charge you a fee for access. Class Counsel can provide you with copies of the settlement documents at no charge.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.