

Bruce Kokozian, Esq. (#195723)
Alex DiBona, Esq. (#265744)
KOKOZIAN LAW FIRM, APC
9440 South Santa Monica Boulevard, Suite 510
Beverly Hills, CA 90210
Telephone (323) 857-5900
Email: bkokozian@kokozianlawfirm.com
dibona@kokozianlawfirm.com

Attorneys for Plaintiff
Juan Alcaraz, individually and on behalf of others
similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES, SPRING STREET COURTHOUSE**

JUAN ALCARAZ, an Individual, on behalf of himself and all others similarly situated	)	CASE NO.: 20STCV01764
	)	[Assigned for all purposes to the Honorable Elihu M.
	)	Berle - SSC Dept. "6"]
Plaintiffs,	)	
	)	<u>CLASS ACTION</u>
v.	)	
	)	JOINT STIPULATION AND SETTLEMENT OF
WESTERN SHIELD ACQUISITIONS, LLC; and DOES 1 through 100, Inclusive	)	CLASS ACTION CLAIMS
	)	
Defendants.	)	Action Filed: January 15, 2020
	)	Trial Date: None yet
	)	

Subject to final approval by the Court, which counsel and parties agree to pursue and recommend in good faith, Plaintiff Juan Alcaraz individually ("Named Plaintiff") and on behalf of all employees similarly situated, on the one hand, and Defendant WESTERN SHIELD ACQUISITIONS, LLC (hereinafter "Defendant") hereby agree to the following binding settlement of the class action case captioned as *Juan Alcaraz v. Western Shield Acquisitions, LLC* filed in the Los Angeles Superior Court, case no. 20STCV01764 (the "Action").

I. DEFINITIONS

As used herein, the following terms are defined as:

1. "Action" means, and refers to, the case captioned *Juan Alcaraz v. Western Shield Acquisitions, LLC* in the California Superior Court for the County of Los Angeles, Case No. 20STCV01764.

2. "Agreement," "Settlement," or "Stipulation" mean and refer to this Joint Stipulation and Settlement of Class Action Claims.

3. "Aggregate Workweek Number" means, and refers to, the sum of all of the Class Members' Total Workweeks which will be used to calculate Participating Class Members' Individual Settlement Payments. The Settlement Payments to be paid to Participating Class Members shall be each individual Class Member's proportional share of the Aggregate Workweek Number.

4. "Attorneys' Fees and Cost Award" means and refers to the amount authorized by the Court to be paid to Class Counsel for the services they have rendered, and expenses they have incurred, in prosecuting the Action. As set forth infra in Section III, Paragraph 8, Class Counsel shall request, and Defendant will not oppose, an award of attorneys' fees of up Thirty One Thousand Six Hundred Sixty Six Dollars and sixty six cents (\$31,666.66) or Thirty-Three and one third percent (33 1/3 %) of the Gross Fund Value and a Cost Award of up to Seven Thousand Dollars (\$7,000). The Attorneys' Fees and Cost Award shall come out of the Gross Fund Value and will not increase the amount of the Gross Fund Value.

5. "Settlement Administrator" means, and refers to, CPT GROUP, or another settlement administration provider upon which the Named Plaintiff, Class Counsel, Defendant, and Defendant's Counsel mutually agree.

6. "Settlement Administration Costs" means, and refers to, the amount that will be paid to the Settlement Administrator, and includes all costs incurred in administering the Settlement, which will be paid from the Gross Fund Value, as defined in Section I, Paragraph 37, infra. The Parties agree to work in good faith to minimize, as much as possible, the Settlement Administration Costs. Defendant will not object to any application for approval of the Settlement Administration Costs, provided the Settlement

Administration Costs are paid out of the Gross Fund Value and will not increase the Gross Fund Value.

7. "Class" and "Class Member" mean and refer to a member of the class conditionally certified for settlement purposes only during the applicable Class Period, consisting of all current and former non-exempt, hourly-paid employees who worked for Defendant in California at any time from January 15, 2016 through Preliminary Approval herein or October 31, 2020, whichever is earlier.

8. "Class Counsel" and "Plaintiff's Counsel" means and refers to Bruce Kokozian, Esq. of Kokozian Law Firm, APC.

9. "Class List and Data Report" means a list of Class Members that Defendant will diligently and in good faith compile from its Human Resources, and/or Payroll employee information database. The Class List and Data Report shall be in excel format, and shall include each Class Member's full name; employee ID while employed with Defendant; dates of employment during which he or she was employed by Defendant; last known home address; and the last four digits of his or her Social Security number.

10. "Class Period" means and refers to the period from January 15, 2016 through Preliminary Approval herein or October 31, 2020, whichever is earlier.

11. "Complaint" means, and refers to, all of the operative in this Action.

12. "Court" means and refers to the Superior Court of the State of California for the County of Los Angeles.

13. "Defendant" means and refers to Western Shield Acquisitions, LLC.

14. "Defendant's Counsel" or "Defense Counsel" shall mean of Maureen K. Bogue, Esq. and Noah Levin, Esq. of Pacific Employment Law.

15. "Effective Date" the date on which the Court's final approval Order becomes final, meaning either : (a) if an appeal is not timely sought from the Final Order and Judgment, then the Effective Date will be sixty five (65) days after service of the Final Order and Judgment by Plaintiff on Defendant and any Objectors; or (b) if a timely appeal is sought from the Final Order and Judgment, then the Effective Date shall be twenty (20) days after the applicable appellate court has rendered a final decision or opinion affirming the trial court's final approval, and the applicable date for seeking further appellate review has passed, or twenty (20) days after any such Appeal has been either dismissed or withdrawn by the appellant or the time for filing an appeal expires.

1 16. "Excluded Class Members" means and refers to all Class Members who timely and validly
2 submit a written request to be excluded from the Class on or before the Objection/Exclusion Deadline
3 Date.

4 17. "Final Approval" means and refers to the Court's order granting final approval of the
5 Settlement.

6 18. "Final Approval Date" means and refers to the date on which the Court's Final Approval
7 Order is entered.

8 19. "Final Approval Hearing/Settlement Fairness Hearing" means and refers to the hearing at
9 which the Court considers whether to approve the Settlement and to enter the Final Approval Order.

10 20. "General Release" means and refers to the release in which the Named Plaintiff, in his/her
11 individual capacity and with respect to his individual claims only, and in exchange for his Service Award,
12 agrees to release the Released Parties from all claims, demands, rights, liabilities and causes of action of
13 every nature and description whatsoever, known or unknown, asserted or that might have been asserted,
14 whether in tort, contract, or for violation of any collective bargaining agreement, and/or any state or federal
15 statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the
16 part of any of the Released Parties committed or omitted from the beginning of time to December 31,
17 2019, including a waiver of Civil Code §1542.

18 21. "Individual Settlement Payment" means and refers to the amount to be paid to each
19 individual Participating Class Members from the Net Fund Value. The estimated Individual Settlement
20 amount shall be indicated on the Notice. Individual Settlement Payment for each individual Participating
21 Class Member will result from the calculations set forth in Section III, paragraph 12, *infra*, less all
22 applicable state and federal withholding taxes, including FICA, FUTA and SDI contributions and any
23 other applicable payroll deductions required by law as a result of the payment of the amount allocated to
24 such Participating Class Member under the terms of this Stipulation.

25 22. "Named Plaintiff" means Juan Alcaraz.

26 23. "Net Fund Value" or "NFV" means, and refers to, the funds available to be distributed to
27 Participating Class Members from the Gross Fund Value after payment of any Attorneys' Fees and Cost
28 Awards, Service Award, Settlement Administration Costs, and the PAGA payment.

24. "Notice" or "Notice Packet" means and refers to the "Notice of Class Action Settlement" that the Court directs to be sent via regular mail to all Class Members (substantially in the forms annexed hereto as Exhibit 1).

25. "Objection/Exclusion Deadline" means and refers to the date no later than forty five (45) calendar days after the date the Notice Packets are mailed (judged by the postmark date) to Class Members by the Settlement Administrator, on or before which a Class Member, may (1) validly submit a Notice of Objection, (2) submit a Request for Exclusion, or (3) challenge with documentary evidence his or her Total Workweeks.

26. "PAGA Payment" means and refers to Two Thousand Four Hundred Dollars (\$2,400) of the Gross Fund Value, which constitutes penalties pursuant to California's Private Attorneys General Act of 2004 (California Labor Code § 2699 et seq., or "PAGA,") and pursuant to Labor Code Section 2699(i), which will be distributed as follows: 25% to the Participating Class Members and 75% to the California Labor and Workforce Development Agency, which shall be One Thousand Eight Hundred Dollars (\$1,800). The 25% portion of the PAGA Payment that shall be paid to the Participating Class Members shall remain within the Net Fund Value so that it is available to be included within the calculation of the Participating Class Members' Individual Settlement Payments.

27. "Participating Class Member" means and refers to any and all Class Members who are not Excluded Class Members.

28. "Parties" means, and refers to Defendant, the Named Plaintiff, and the Class Members.

29. "Preliminary Approval Order" means, and refers to, the Order issued by the Court preliminarily approving the terms of the Settlement.

30. "Preliminary Approval Date" means and refers to the date that the Court enters the Preliminary Approval Order.

31. "Preliminary Approval Hearing" means and refers to the hearing on Named Plaintiff's Motion for Preliminary Approval, as discussed in Section III, Paragraph 10, *infra*.

32. "Qualified Settlement Fund" means and refers to the fund to be established by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 into which Defendant will deposit the Gross Fund Value within ten (10) business days following the Effective Date. Defendant

1 shall also deposit the employer's share of payroll taxes into the Qualified Settlement Fund within ten
2 (10) business days following the Effective Date.

3 33. "Released Claims" is defined as follows: Upon the Effective Date and after Defendant
4 fully funds the Gross Fund Value, Participating Class Members shall fully and finally release and
5 discharge the Released Parties of all claims, rights, demands, liabilities, damages, attorneys' fees, costs,
6 and causes of action of every nature and description, whether known or unknown, arising from any and
7 all claims which were asserted in the Action or could have been asserted based on the facts alleged in
8 the Action, and arising during the Class Period of this settlement, including statutory, constitutional or
9 common law claims for wages, damages, unpaid costs, liquidated damages, penalties, interest, attorneys'
10 fees, litigation costs, restitution, equitable relief, or other relief under California Business & Professions
11 Code §17200, et seq. based on the following categories of allegations as set forth in the operative
12 complaint: (a) all claims for unpaid overtime wages; (b) all claims for unpaid minimum wages; (c) all
13 claims for failure to pay overtime wages at the legal overtime pay rate; (d) all claims for failure to
14 provide meal periods; (e) all claims for failure to authorize and permit rest periods; (f) all claims for the
15 failure to promptly pay all wages due and owing at the time of an employee's termination or discharge;
16 (g) all claims for the failure to issue properly itemized wage statements; (h) all claims for Unfair
17 Competition or Business Practices under California's Business and Professions Code based on the
18 preceding claims; (i) all claims for any and all penalties pursuant to the California Labor Code and/or
19 the Private Attorneys General Act of 2004 based on the preceding claims.

20 34. "Released Parties" means and refers to Defendant Western Shield Acquisitions, LLC and
21 its successors in interest, past, present, or future parents, subsidiaries and related or affiliated
22 corporations, and their past, present, or future officers, directors, shareholders, employees, agents,
23 principals, heirs, joint employers, staffing agencies, representatives, accountants, auditors, attorneys,
24 consultants, insurers, and reinsurers, and each of their respective successors and predecessors in interest,
25 subsidiaries, affiliates, parents, and each of their company-sponsored employee benefit plans, and all of
26 their respective officers, directors, owners, employees, administrators, fiduciaries, trustees, and agents,
27 and any individual or entity which could reasonably be determined to be jointly liable with Defendant,
28 or any of them.

35. "Service Award" means and refers to the amount that the Court authorizes to be paid to the Named Plaintiff over and above his/her Individual Settlement Payment, in recognition of Named Plaintiff's efforts in assisting with the prosecution of the Action on behalf of the Class Members and in return for executing a General Release of all Claims against Released Parties. Named Plaintiff will request, and Defendant will not oppose, a Service Award up to Four Thousand Dollars (\$4,000). Named Plaintiff will be issued an IRS Form 1099 in connection with his Service Award.

36. "Settlement Award" means and refers to the total portion of the Net Fund Value payable to each Class Member after deduction of all applicable state and federal employment withholding taxes, FICA and FUTA contributions and any other applicable payroll deductions required by law.

37. "Gross Fund Value" means, and refers to, the total amount that Defendant will be required to pay by this Stipulation. The Gross Fund Value consists of the Attorneys' Fees and Costs Award, the Service Award, the Settlement Administration Costs, the PAGA Payment and the Net Fund Value. The Gross Fund Value is equal to, and shall not exceed Ninety Five Thousand Dollars (\$95,000). The Parties further agree, covenant, and represent that Defendant shall be required to pay no more than the Gross Fund Value of Ninety Five Thousand Dollars (\$95,000) plus also the employer side share of payroll taxes, as described below.

38. "Workweek" is any calendar week during the Class Period in which a Class Member was employed by Defendant.

39. "Total Workweeks" means and refers to the total of all the Workweeks a Class Member was employed during the Class Period. The total number of Workweeks between the later of either a Class Member's first date of employment with Defendant or the beginning of the Class Period, inclusive, and the earlier of either the Class Member's last day of employment with Defendant or the end of the Class Period, inclusive, shall be a Class Member's Total Workweeks for purposes of determining the Participating Class Member's Individual Settlement Payment.

II. RECITALS

This Stipulation is made by the Named Plaintiff on behalf of himself and each of the other Class Members, on the one hand, and the Defendant, on the other hand, in this Action, and is subject to the

1 approval of the Court.

2 **A. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

3 At or about the time that the Named Plaintiff files his motion for preliminary approval of this
4 Settlement, the Named Plaintiff shall request certification of the Class as defined in Section I, Paragraph
5 7, *supra*, for settlement purposes only.

6 **Limitation on Effect of Certification.**

7 The certification of the Class – for settlement purposes only – shall not constitute, in this or any
8 other proceeding, an admission of any kind by Defendant, including without limitation, that certification
9 of a class or collective action for trial purposes is appropriate or proper or that Named Plaintiff could
10 establish any of the requisite elements for class or collective treatment of any of the claims in the Action.
11 In the event that the Settlement is not finally approved, or the Settlement is otherwise terminated or
12 rendered null and void, the certification of the Class shall be automatically vacated and shall not constitute
13 evidence or a binding determination that the requirements for certification of a class or collective action
14 for trial purposes in this Action or in any other actions are satisfied. In such circumstances, Defendant
15 expressly reserves all rights to challenge the Class certification for any purpose other than settlement
16 purposes in this Action or in any other action on all available grounds as if no class had been certified for
17 settlement purposes in the Action, and no reference to the prior certification of a class, or any documents
18 related thereto, shall be made available for any purpose. Additionally, the Parties stipulate that to further
19 the certification for settlement purposes, and for no other purpose or effect, the Named Plaintiff is typical
20 of other Class Members and can represent the Class.

21 **B. INVESTIGATION IN THE CLASS ACTION**

22 The Parties have conducted significant investigation of the facts and law during the prosecution of this
23 Action. Discovery and investigation included: the exchange of informal discovery between Plaintiff and
24 Defendant including the production by Plaintiff of all documents related to Plaintiff's employment with
25 Defendant, the production of documents by Defendant including Defendant's employee handbooks,
26 policies and procedures regarding the payment of wages, time keeping, overtime, meal and rest periods
27 and the production of detailed class-wide payroll and time punch data by Defendant. Plaintiff's counsel
28 retained an expert to review timekeeping records and payroll records and to assist in the preparation of a
damage analysis for this litigation. Also there were numerous conferences between representatives of the

1 Parties.

2 **C. BENEFITS OF SETTLEMENT TO CLASS MEMBERS**

3 Named Plaintiff and Class Counsel recognize the expense and length of continued proceedings
4 necessary to litigate their disputes through trial and through any possible appeals. Named Plaintiff has
5 also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties
6 and delays inherent in such litigation. Named Plaintiff and Class Counsel are also aware of the burdens
7 of proof necessary to establish liability for the claims asserted in the Action, both generally and in
8 response to Defendant's defenses thereto (many of which have been shared in settlement discussions).
9 Named Plaintiff and Class Counsel have also taken into account the extensive settlement negotiations
10 conducted. Named Plaintiff and Class Counsel have also taken into account Defendant's agreement to
11 enter into a settlement that confers substantial relief upon the Class Members. Based on the foregoing,
12 Named Plaintiff and Class Counsel have determined that the Settlement set forth in this Agreement is a
13 fair, adequate and a reasonable settlement, and is in the best interests of the Class Members.

14 **D. DEFENDANT'S REASONS FOR SETTLEMENT**

15 Defendant has concluded that any further defense of this litigation would be protracted and
16 expensive for all Parties. Substantial amounts of Defendant's time, energy and resources have been and,
17 unless this Settlement is made, will continue to be devoted to the defense of the Claims asserted by the
18 Class. Defendant has also taken into account the risks of further litigation in reaching its decision to
19 enter into this Settlement. Defendant has, therefore, agreed to settle in the manner and upon the terms set
20 forth in this Agreement to put to rest the Claims as set forth in the Action.

21 **E. DEFENDANT'S DENIAL OF WRONGDOING**

22 Defendant does not admit any wrongdoing and contends that it has fully complied with the law at
23 all times in all respects. This Agreement is a compromise of disputed claims. Nothing contained in this
24 Agreement and no documents referred to herein and no action taken to carry out this Agreement may be
25 construed or used as an admission by or against the Defendant or Defendant's Counsel as to the merits
26 of the Claims asserted. Whether the Settlement is finally approved, neither this Settlement, nor any
27 terms, document, statement, proceeding or conduct related to settlement, nor any reports or accounts
28 thereof, shall in any event be (a) construed as, offered or admitted in evidence as, received as, or deemed

1 to be evidence for any purpose, including, but not limited to, evidence of a presumption, concession,
2 indication, or admission by Defendant of any fault, wrongdoing, liability and/or unlawful activity
3 whatsoever or any effort to certify a class or collective action; or (b) disclosed, referred to, or offered or
4 received in evidence, in any further proceeding in this action, or any other civil, criminal or
5 administrative action or proceeding, except for purposes of settling this Action or enforcing this
6 Settlement, or as a defense to any claims released by the Settlement.

7 **F. NAMED PLAINTIFF'S CLAIMS**

8 Named Plaintiff has claimed and continues to claim that the Released Claims have merit and
9 give rise to liability on the part of Defendant. This Agreement is a compromise of disputed claims.
10 Nothing contained in this Agreement and no documents referred to herein and no action taken to carry
11 out this Agreement may be construed or used as an admission by or against the Named Plaintiff or Class
12 Counsel as to the merits or lack thereof of the Claims asserted.

13 **III. STIPULATION AND AGREEMENT**

14 ***NOW, THEREFORE, IT IS HEREBY STIPULATED***, by and among the Named Plaintiff on
15 behalf of the Class Members, on the one hand, and Defendant, on the other hand, and subject to the
16 approval of the Court, that the Action is hereby being compromised and settled pursuant to the terms and
17 conditions set forth in this Agreement, subject to the definitions and recitals set forth in Sections I and II,
18 *supra*, which by this reference become an integral part of this Agreement, and subject to the following
19 terms and conditions:

20 1. **Full Investigation.** Named Plaintiff and Class Counsel have fully investigated the factual
21 and legal bases for the causes of action asserted in the Action.

22 2. **Release As To All Participating Class Members.**

23 Upon the Effective Date, the Participating Class Members, including the Named Plaintiff, release
24 the Released Parties for the Released Claims for the Class Period.

25 3. **General Release By Named Plaintiff Only.** In addition to the releases made by the
26 Participating Class Members as set forth in Section I, Paragraphs 33 *supra*, Named Plaintiff, in exchange
27 for, *inter alia*, the Service Award as requested or as otherwise authorized by the Court, will, as of the
28 Effective Date, make the additional following General Release of all Claims, known or unknown, in

1 exchange and consideration of the sum set forth in Section I, Paragraph 35, *supra*. Upon the Effective
2 Date and Defendant fully funding the Gross Fund Value, Named Plaintiff agrees to the General Release
3 of the Released Parties. Named Plaintiff also agrees to release all wage and hour Claims, including, but
4 not limited to, overtime wages, meal and rest period sanctions, penalties under the Private Attorneys
5 General Act and all other Released Claims. Also, without limiting the generality of the foregoing:
6 **NAMED PLAINTIFF** also specifically agrees and acknowledges waiver of any right to recovery based
7 on state or federal age, sex, gender, citizenship, pregnancy, race, color, national origin, marital status,
8 religion, veteran status, disability, sexual orientation, medical condition or other anti-discrimination
9 laws, including, without limitation, Title VII of the Civil Rights Act of 1964, the Americans With
10 Disabilities Act and the California Fair Employment and Housing Act, or based on the Family and
11 Medical Leave Act, the Employee Retirement Income Security Act, the Worker Adjustment and
12 Retraining Act, and the California Labor Code, all as amended, whether such claim be based upon an
13 action filed by employees or by a governmental agency.

14 The General Release as to Named Plaintiff includes any unknown Claims that Named Plaintiff
15 does not know or suspect to exist in his favor at the time of the General Release, which, if known by
16 him, might have affected his settlement with, and release of, the Released Parties or might have affected
17 his decision not to object to this Settlement or the General Release.

18 With respect to the General Release, Named Plaintiff stipulates and agrees that, upon the
19 Effective Date, Named Plaintiff shall be deemed to have, and by operation of the Final Judgment shall
20 have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights
21 and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or
22 state law, which provides:

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

27 Named Plaintiff may hereafter discover facts in addition to or different from those he now
28 knows or believes to be true with respect to the subject matter of the General Release, but Named Plaintiff
upon the Effective Date shall be deemed to have, and by operation of the Final Judgment shall have, fully,

1 finally, and forever settled and released any and all of the claims released pursuant to the General Release
2 whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or
3 heretofore have existed upon any theory of law or equity now existing or coming into existence in the
4 future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a
5 breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different
6 or additional facts.

7 4. Service Award. Subject to Court approval, and expressly in exchange for the release of
8 all Released Claims and for his time and effort in bringing and prosecuting this matter, Named Plaintiff
9 shall be paid a Service Award up to a total of Four Thousand Dollars (\$4,000), or such other distribution
10 or lower amount as the Court may order. The Service Award shall be paid from the Gross Fund Value
11 and shall not increase the Gross Fund Value. The Service Award shall be paid to the Named Plaintiff by
12 the Settlement Administrator no later than ten (10) business days after Defendant delivers the Gross
13 Fund Value to the Settlement Administrator for deposit into the Qualified Settlement Fund. The Parties
14 agree that a decision by the Court to award Named Plaintiff an amount less than the amount stated above
15 shall not be a basis for Class Counsel to void this Stipulation. The Settlement Administrator shall issue
16 Named Plaintiff an IRS Form 1099 for the Service Award. Any amount awarded for service payments to
17 the Named Plaintiff less than the requested amounts will result in the non-awarded funds to be awarded
18 to Participating Class Members on a proportionate basis to the amount of their Individual Settlement
19 Payment. The Named Plaintiff shall be solely and legally responsible to pay any and all applicable taxes
20 on this payment. The Service Award shall be paid in addition to the Named Plaintiff's share of the
21 Settlement Amount as a Participating Class Member.

22 5. Tax Liability. Defendant makes no representations as to the tax treatment or legal effect
23 of the payments called for hereunder, and Named Plaintiff and Participating Class Members are not
24 relying on any statement or representation by Defendant in this regard. Named Plaintiff and
25 Participating Class Members understand and agree that except for Defendant's payment of the
26 employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and
27 penalties assessed on the payments described herein.

28 6. CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR

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

7. Creation Of The Qualified Settlement Fund And Administration Of The Settlement.

Within ten (10) days after the Effective Date, Defendant shall deliver the Gross Fund Value of Ninety Five Thousand Dollars (\$95,000) as required by this Stipulation into the Qualified Settlement Fund created by the Settlement Administrator. Defendant shall also simultaneously deliver to the Settlement Administrator, Defendant's (Employer) share of payroll taxes, including but not limited to, FICA, FUTA and SDI contributions. In addition to the employer's portion of payroll taxes, payments from the Qualified Settlement Fund shall be made (1) for the Service Award to the Named Plaintiff, as

specified in this Agreement and approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this Agreement and approved by the Court; (3) the Settlement Administration Costs; and (4) the amount allocated to PAGA penalties to be paid to the California Labor Workforce and Development Agency. The balance remaining shall constitute the Net Fund Value from which Individual Settlement Payments shall be made to Participating Class Members, less applicable taxes and withholdings.

8. Attorneys' Fees And Cost Award. Defendant agrees not to oppose or impede any application or motion by Class Counsel for attorneys' fees not in excess of Thirty One Thousand Six Hundred Sixty Six Dollars and sixty six cents (\$31,666.66) or Thirty-Three and one-third percent (33 1/3 %) of the Gross Fund Value. Defendant further agrees not to oppose any application or motion by Class Counsel for the reimbursement of any actual costs associated with Class Counsel's prosecution of this matter not in excess of Seven Thousand Dollars (\$7,000). Class Counsel will provide verification of the cost amount that it is seeking to be reimbursed. Any amount awarded for attorneys' fees and costs to Class Counsel less than the Thirty One Thousand Six Hundred Sixty Six Dollars and sixty six cents (\$31,666.66) and Seven Thousand Dollars (\$7,000), respectively, will result in the non-awarded amounts to be awarded to Participating Class Members on a proportionate basis to the amount of their Individual Settlement Payments. Class Counsel shall be paid any Court-approved fees and costs no later than ten (10) business days after Defendant delivers the required funds to the Settlement Administrator for deposit into the Qualified Settlement Fund. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made to Class Counsel. Forms 1099 – MISC, Box 14 shall be provided to Class Counsel for the payments made, and Class Counsel shall provide, before the Effective Date, properly completed Forms W-9.

9. Settlement Administrator. The Settlement Administrator shall be paid for the costs of administration of the Settlement out of the Gross Fund Value as deposited in the Qualified Settlement Fund. The estimate of such costs of administration for the disbursement of the Gross Fund Value is no more than Six Thousand Five Hundred Dollars (\$6,500.) Any amount awarded for costs of administration to Settlement Administrator, or such other entity upon whom the Parties mutually agree, less than Six Thousand Five Hundred Dollars (\$6,500) will result in the non-awarded amount to be

1 awarded to Participating Class Members on a proportionate basis to the amount of their Individual
2 Settlement Payments. This estimate includes all tasks required of the Settlement Administrator by this
3 Agreement including the issuance of the Notice, the issuance of settlement checks, the required tax
4 reporting on the settlement amounts, including the issuing of W2 and 1099 forms (if any), the handling
5 of Class Member questions and disputes and the calculation of employee withholding taxes and the
6 employer payroll taxes, which will be remitted to the tax authorities by the Claims Administrator. At
7 least sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall
8 provide the Court and all counsel for the Parties with a statement detailing the costs of administration of
9 the Gross Fund Value and the breakdown of the Gross Fund Value.

10 10. Preliminary Settlement Hearing/Alterations to this Agreement. As part of this Settlement,
11 the Parties agree to the following procedures for obtaining preliminary Court approval of the Settlement:

- 12 a. Plaintiff shall file a Motion for Preliminary Approval and request a hearing before the
13 Court to request preliminary approval of the Settlement and to request the entry of the
14 Preliminary Approval Order.
- 15 b. Simultaneous with and/or included in the filing of the Motion for Preliminary Approval,
16 and solely for purposes of this Settlement, Named Plaintiff will request the Court to enter
17 the Preliminary Approval Order, preliminarily approving the proposed Settlement,
18 conditionally certifying the Class, for settlement purposes only, and setting a date for a
19 Final Approval Hearing.
- 20 c. In conjunction with the Motion for Preliminary Approval, Named Plaintiff will submit this
21 Stipulation and Settlement of Class Action Agreement, which sets forth the terms of this
22 Settlement Agreement, and will include proposed forms of all notices and other documents
23 as attached hereto necessary to implement the Settlement. The Order shall provide for
24 Notice of the Settlement to be sent to Class Members as specified herein. The Parties agree
25 that Defendant's Counsel will be provided copies of all proposed notices and documents
26 to review and provide input prior to delivery of same to Class Members.
- 27 d. In the event any provision of the Settlement is rejected by the Court, the Parties will work
28 in good faith to negotiate alteration of the rejected term(s). The Parties agree to use the
services of mediator if informal efforts to negotiate alteration have been exhausted.

1 e. If, following the Parties' good faith efforts and mediation, the Parties cannot agree on
2 alterations, or if ultimately the Court does not grant preliminary or final approval of the
3 Settlement in its entirety, or if the Court's final approval of the Settlement agreement is
4 reversed or materially modified on appellate review, then this Settlement will become null
5 and void. In such case, the Settlement shall not be used or be admissible in any subsequent
6 proceedings, either in this Action, in this Court, or in any other Court, proceeding or forum.

7 11. Settlement Administration/Management. The Individual Settlement Payments shall be
8 managed and administered as follows:

- 9 a. Claims administrator, CPT Group, or such other entity upon whom the Parties mutually
10 agree, shall be retained to serve as Settlement Administrator. The Parties each represent
11 they do not have any financial interest in the Settlement Administrator or otherwise have a
12 relationship with the Settlement Administrator that could create a conflict of interest.
- 13 b. Defendant shall provide the Settlement Administrator the Class List and Data Report
14 within fourteen (14) days of the Preliminary Approval Date, subject to the Settlement
15 Administrator's promise to take adequate measures to safeguard the privacy and security
16 of the data provided
- 17 c. Within fourteen (14) days of receipt of the Class List and Data Report, the Settlement
18 Administrator shall mail the Notice Packet to each Class Member in accordance with
19 Section III, Paragraph 13, *infra*.
- 20 d. Participating Class Members will be eligible to receive an Individual Settlement Payment,
21 calculated in accordance with Section III, Paragraph 12, *infra*.
- 22 e. The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a
23 weekly report showing the names and number of Class Members who have objected to or
24 requested exclusion from the Settlement (if any). Sixteen (16) court days prior to the Final
25 Approval Hearing, the Settlement Administrator shall provide Defendant's Counsel and
26 Class Counsel a final report showing the names and number of Class Members who have
27 objected to or requested exclusion from the Settlement.
- 28 f. The Parties agree to cooperate in the settlement administration process and to make all
reasonable efforts to control and minimize the costs and expenses incurred in

administration of the Settlement.

- g. The Settlement Administrator shall be responsible for: printing and mailing the Notices as directed by the Court; receiving and reporting the objections/requests for exclusion and challenges to the Individual Settlement Payments submitted by Class Members; mailing Individual Settlement Payments to Participating Settlement Class Members; mailing the payment to the Labor Workforce Development Agency; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform (including the calculation and remittance of employer taxes which will be paid by Defendant in addition to Gross Fund Value). The Settlement Administrator shall keep Defendant, Defendant's Counsel and Class Counsel timely apprised of the performance of all Settlement Administrator responsibilities.
- h. The Settlement Administrator, on Defendant's behalf, shall have the authority and obligation to make payments, credits and disbursements, including payments and credits in the manner set forth herein to Participating Class Members, calculated in accordance with the methodology set out in this Agreement and orders of the Court.
- i. Any tax return filing required by this Agreement shall be made by the Settlement Administrator. Any expenses incurred in connection with such filing shall be a cost of administration of the Settlement.
- j. No person shall have any claim against Defendant or Defendant's Counsel, the Named Plaintiff, Class Members, the Class, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Agreement.
- k. The Claims Administrator will provide to Defendant, as soon as practicable, but no later than 60 days after Preliminary Approval is granted, a fully-executed IRS W-9 form and a completed Supplier Profile and ACH Enrollment Form which Defendant requires to process and issue any payment.

12. Calculation Of Individual Settlement Payments. The Individual Settlement Payments will be calculated as follows:

- a. Defendant will provide the Settlement Administrator each Class Members' Total Workweeks in the Class List and Data Report or provide the Settlement Administrator the

- 1 required information to calculate each Class Members' Total Workweeks, which shall be
2 presumed to be correct.
- 3 b. The Settlement Administrator will calculate the Aggregate Workweek Number by adding
4 the sum of all of the Class Members' Total Workweeks.
- 5 c. The Settlement Administrator will divide the Net Fund Value by the Aggregate Workweek
6 Number to calculate the weekly settlement amount.
- 7 d. The Settlement Administrator will calculate each Class Members' Individual Settlement
8 Payment by first multiplying his or her Total Workweeks by the weekly settlement amount.
9 Each Class Members' estimated Individual Settlement Award will be indicated on the
10 Notice.
- 11 e. The Individual Settlement Award estimates indicated on the Notice are subject to change,
12 depending on factors including: (i) how many Class Members become Excluded Class
13 Members (resulting in their Total Workweeks being removed from the final Aggregate
14 Workweek Number, thereby increasing the final weekly settlement amount); (ii) any
15 changes to the Total Workweeks resulting from challenges to Total Workweeks submitted
16 by Class Members resulting in workweek adjustments, which may increase or decrease the
17 final Aggregate Workweek Number and the final weekly settlement amount; and (iii) any
18 increases or reductions in the Net Fund Value which may result from, inter alia, changes
19 to the actual amount of PAGA Payment, and/or Settlement Administration Costs approved
20 by the Court.
- 21 f. Each Participating Class Member's Individual Settlement Payment will be allocated as
22 follows: (a) 20% as wages; and (b) 80% as interest and penalties. The portion allocated to
23 wages ("Wage Component") shall be reported on an IRS Form W-2 and the portions
24 allocated to interest and penalties (the "Non-Wage Component") shall be reported on an
25 IRS Form-1099 by the Claims Administrator.
- 26 g. The employee's portion of employment taxes, including payroll deductions for state and
27 federal withholding taxes, and any other applicable payroll deductions, shall be made from
28 each Participating Class Members Wage Component, resulting in a "Net Wage
Component." The Claims Administrator will issue a W-2 for the Wage Component.

i. No withholding shall be made on the Non-Wage Component of the settlement. The

Claims Administrator will issue an IRS Form 1099 for the Non-Wage Component.

h. The Settlement Administrator, on Defendant's and Class Counsel's collective behalf, shall have the authority and obligation to make payments, credits and disbursements, including payments and credits in the manner set forth herein, to Class Members calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Settlement Administrator shall be responsible for calculating and withholding all required state and federal taxes.

i. No person shall have any claim against Defendant, Defendant's Counsel, the Named Plaintiff, Plaintiffs, the Class, Class Counsel, or the Settlement Administrator based on any errors or omissions in the distributions and payments that are required to be made in accordance with the terms of this Agreement.

13. Notice To Class Members. Notice of the Settlement shall be provided to all Class Members using the following procedures:

a. Notice By First-Class Mail. Within fourteen (14) days after receipt of the Class List and Data Report, the Claims Administrator shall mail the Notice of Pendency of Class Action, Proposed Settlement and Hearing Date for Court Approval (substantially in the form annexed hereto as Exhibit 1), which has been mutually approved by counsel for the Parties, to the Class Members via first-class regular U.S. Mail. The Notice will include the Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. If a new address is obtained by a way of a returned Notice Packet, then the Claims Administrator shall promptly forward the original Notice Packet to the updated address via first-class regular U.S. mail indicating on the original Notice Packet the date of such re-mailing.

b. No Requirement for a Claim Form. Class Members shall not be required to submit a Claim Form to receive an Individual Settlement Payment.

c. Objection/Exclusion Deadline Date and Deadline to Challenge Total Workweeks: Class Members will have forty-five (45) calendar days from the mailing of the Notice Packet to submit an objection and/or request for exclusion from the Settlement, or challenge the Total Workweeks indicated

on their Notice.

d. Procedure For Undeliverable Notices. Any Notices returned to the Settlement Administrator as non-delivered on or before the Objection/Exclusion Deadline Date shall be sent to the forwarding address affixed thereto within five (5) business days. If no forwarding address is provided, then the Settlement Administrator shall promptly attempt to determine a correct address using a single skip-trace, computer or other search using the name and address of the individual involved, and shall then perform a single re-mailing within five (5) business days. In the event the procedures in this paragraph are followed and the intended recipient of a Notice still does not receive the Notice, the Class Member shall be bound by all terms of the Settlement and any Final Judgment entered by the Court if the Settlement is approved by the Court.

e. No later than sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel: (i) the names and contact information of the Class Members objecting to or requesting exclusion from the Settlement; and (ii) the amount owed to each Participating Class Member.

14. Procedure For Objecting To or Requesting Exclusion From The Class Action Settlement or Challenging Total Workweeks. The Class Members shall submit objections to the Settlement and/or request exclusion from the Settlement and/or submit a challenge to their Total Workweeks using the following procedures:

a. Procedure For Objecting. The Notice shall provide that those Class Members who wish to object to the Settlement shall mail a written statement of objection ("Notice of Objection") to the Settlement Administrator, no later than the Objection/Exclusion Deadline Date. The postmark date of the mailing shall be deemed the exclusive means for determining if a Notice of Objection is timely. The Notice of Objection must contain the Class Member's name, the last four digits of his/her social security number, dates of employment, current contact information, a statement providing the basis for the Class Member's objections, a statement advising if the objecting Class Member plans to address the Court at the Settlement Fairness Hearing, and any legal briefs, papers or memoranda the objecting Class Member proposes to submit to the Court. Class Members regardless of whether or not they

1 submit a written objection to the Claims Administrator will have the right to appear at the
2 Final Approval Hearing in order to have their objections heard by the Court. No later than
3 sixteen (16) court days before the Settlement Fairness Hearing, the Claims Administrator
4 shall provide counsel for the Parties with complete copies of all objections received,
5 including the postmark dates for each objection. Class Counsel and Counsel for Defendant
6 shall file any responses to any written objections submitted to the Court in accordance with
7 this Settlement Agreement at least five (5) days before the Fairness Settlement Hearing.

8 b. Procedure For Requesting Exclusion. The Notice shall provide that Class Members who
9 wish to exclude themselves from the Class must submit a written request to be excluded
10 ("Request for Exclusion") from the Class on or before the Objection/Exclusion Deadline
11 Date. Such Request for Exclusion: (1) must contain the name, address, telephone number
12 and the last four digits of the Social Security number of the person requesting exclusion;
13 (2) must be signed by the person requesting exclusion; (3) must be returned by mail to the
14 Settlement Administrator at the specified address; (4) and must be postmarked on or before
15 the Objection/Exclusion Deadline Date. The date of the postmark on the return mailing
16 envelope shall be the exclusive means used to determine whether a request for exclusion
17 has been timely submitted. Any Class Member who requests an exclusion from the Class
18 will not be entitled to any recovery under the Settlement and will not be bound by the
19 Settlement or have any right to object, appeal or comment thereon. Class Members who
20 fail to submit valid and timely a Request for Exclusion on or before the
21 Objection/Exclusion Deadline Date shall be Participating Class Members and shall be
22 bound by all terms of the Settlement and any Final Judgment entered in this Class Action
23 if the Settlement is approved by the Superior Court. No later than sixteen (16) court days
24 before the Settlement Fairness Hearing, the Settlement Administrator shall provide counsel
25 for the Parties with a complete list of all members of the Settlement Class who have timely
26 requested exclusion from the Settlement. At no time shall any of the Parties or their
27 counsel seek to solicit or otherwise encourage members of the Settlement Class to submit
28 a Request for Exclusion from the Settlement.

c. Procedure for Contesting Individual Settlement Payment: Each Class Members will have

1 the opportunity, should he/she disagree with Defendant's records regarding his/her Total
2 Workweeks as provided in his/her Notice, to provide documentation to show contrary
3 employment dates. To do so, Class Members must contact the Settlement Administrator,
4 along with all applicable documentary evidence to support his/her dispute regarding his/her
5 Total Workweeks prior to the Objection/Exclusion Deadline. Moreover, an individual can
6 only dispute his/her number of Total Workweeks if he/she does not exclude himself/herself
7 from the Settlement. If there is a dispute, the Settlement Administrator will consult with
8 the Parties to determine whether a workweek adjustment is warranted. Class Counsel and
9 Defendant's Counsel shall meet and confer in an attempt to reach an agreement regarding
10 whether a workweek adjustment is warranted based on the documentary evidence
11 submitted by the Class Member to challenge his/her Total Workweeks. If they cannot
12 agree, the Settlement Administrator shall make the final determination of whether or not a
13 workweek adjustment is warranted based on the documentary evidence submitted by the
14 Class Member to challenge his/her Total Workweeks, and that determination shall be
15 conclusive, final and binding on all Parties, including all Class Members. In the event that
16 a workweek adjustment is warranted, the additional amount owed to said Class Member,
17 if any, shall be paid as part of that Participating Class Member's Individual Settlement
18 Payment, but Defendant shall not be required to tender or deposit any additional settlement
19 sums due to any such adjustment.

- 20 d. No Solicitation Of Settlement Objections. The Parties agree to use their best efforts to
21 carry out the terms of this Settlement. At no time shall any of the Parties or their counsel
22 seek to solicit or otherwise encourage Class Members to submit written objections to the
23 Settlement or appeal from the Order and Final Judgment.

24 15. Procedure For Payment Of Individual Settlement Payments:

- 25 a. Except for Excluded Class Members, all Participating Class Members will receive an
26 Individual Settlement Payment.
27 b. Individual Settlement Payments for Class Members shall be paid exclusively from the
28 Qualified Settlement Fund, pursuant to the settlement formula set forth herein, and shall be
mailed within ten (10) business days after Defendant delivers the required funds to the

Settlement Administrator for deposit into the Qualified Settlement Fund.

c. Should any question arise regarding the determination of eligibility for, or the amounts of, any Individual Settlement Payment under the terms of this Agreement, Class Counsel and Defendant's Counsel shall meet and confer in an attempt to reach agreement. If they cannot agree, the Settlement Administrator shall make the final determination, and that determination shall be conclusive, final and binding on all Parties, including all Class Members.

d. Any checks issued by the Settlement Administrator to Participating Class Members shall be negotiable for one hundred and eighty (180) calendar days. Those funds represented by Settlement checks returned as undeliverable and those Settlement checks remaining uncashed for more than 180 days after issuance (collectively, "Uncashed Settlement Checks") shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. for the benefits of those Settlement Class Members who did not cash their checks until such time they claim their property. The parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code Section 384, as the entire Net Fund Value (NFV) will be paid out to Settlement Class Members, whether or not they all cash their settlement checks.

e. Although Participating Class Members who do not timely cash their Individual Settlement Payments shall not immediately receive the monies from those checks, such persons shall nonetheless be Participating Class Members and will be bound by all terms of the Settlement and any Final Judgment entered in this Class Action if the Settlement is approved by the Superior Court, including the release of the Released Claims, unless they timely file a valid request for exclusion as set forth herein.

16. Claims Deemed Waived. Any Class Member who does not request exclusion as set forth above is deemed to be a Participating Class Member and thereby is deemed to have released the Released Claims against Released Parties as set forth herein, regardless of whether or not they timely cash their Individual Settlement Payment.

1 17. Option To Terminate Settlement. Notwithstanding any other provision of this Settlement
2 Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to nullify the settlement
3 if greater than twenty percent (20%) of the Class Members request exclusion from the class. Defendant
4 must exercise its right of rescission, in writing, to the Court and Class Counsel, within 7 calendar days
5 after the Claims Administrator notifies the Parties of the total number of Requests for Exclusion received
6 by the Response Deadline. If Defendant exercises its option to rescind, Defendant shall be solely
7 responsible for the initial payment to the Claims Administrator of all costs of the Claims Administration,
8 including any re-notice to the Class as ordered by the Court, but such initial payment shall be treated as a
9 taxable cost in the event that this case is ultimately litigated and Defendant prevails in a manner permitting
10 an award of costs per applicable statute(s) and/or procedural rule(s). If Defendant exercises its option to
11 rescind the Settlement under this paragraph all actions taken in furtherance of the Settlement will be null
and void.

12 18. Defendant has represented a class size of approximately 80 class members. If the class
13 size is more than 80 employees then the Gross Fund Value shall increase in the exact proportionate amount
14 as the increase in class size. For example, if the class size is 84 employees then the Gross Fund Value
15 shall increase by 5%.

16 19. Certification By Settlement Administrator. Upon completion of administration of the
17 distributions, the Settlement Administrator shall provide written certification of such completion to the
18 Court and counsel for all Parties.

19 20. Final Settlement Approval Hearing And Entry Of Final Judgment. Upon expiration of the
20 Objection/Exclusion Deadline Date, with the Court's permission, a Final Fairness Hearing shall be
21 conducted to determine final approval of the Settlement along with the amount properly payable for (i)
22 the Attorneys' Fees and Cost Award, (ii) any Service Awards, and (iii) Settlement Administration Costs.
23 The Final Fairness Hearing shall not be held earlier than twenty-five (25) calendar days from
24 Objection/Exclusion Deadline Date. Upon final approval of the Settlement by the Court, Class Counsel
25 shall prepare and the Parties shall present the Final Approval Order and Judgment, in a form agreed to in
26 advance by the Parties, for the Court's approval. After entry of the Final Approval Order and Judgment,
27 the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
28 enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-

Final Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

21. Defendant shall discharge its obligations to the Class Members through the remittance of the Settlement Award claimed by the Class Members to the Settlement Administrator as set forth above, regardless of whether checks representing individual settlement sums are actually received and/or negotiated by Participating Class Members. Once Defendant has complied with the obligations set forth in this Joint Stipulation and Settlement of Class Action Claims, it will be deemed to have satisfied all terms and conditions under this Settlement Agreement, and shall have no further obligations under the terms of the Settlement Agreement regardless of what occurs with respect to those sums.

22. Nullification Of Settlement Agreement. In the event: (i) the Court does not finally approve the Settlement as provided herein; or (ii) the Court does not enter a Final Approval Order as provided herein, which becomes final as a result of the occurrence of the Effective Date, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void *ab initio*. In such a case, the Parties and any funds to be awarded under this Settlement 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 Settlement Agreement had not been executed. In the event an appeal is filed from the Court's Final Judgment, or any other appellate review is sought prior to the Effective Date, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, as well as any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Judgment, or any other appellate review.

23. No Effect On Employee Benefits. Neither the Individual Settlement Payments nor the Service Award to Named Plaintiff shall be deemed to be pensionable earning and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the respective Named Plaintiff or Participating Class Members. The Parties agree that any Individual Settlement Payments to Participating Class Members under the terms of this Agreement do not represent any modification of the Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Individual Settlement Payment, or Service Award hereunder shall not be considered "compensation" in any year for purposes of determining eligibility for,

1 or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored
2 by Defendant. Neither Defendant nor Named Plaintiff are opining on the terms of any such Plan, each of
3 which speaks for itself.

4 24. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning the
5 interpretation, calculation or payment of settlement claims, or other disputes regarding compliance with
6 this Agreement shall be resolved as follows:

- 7 a. If the Named Plaintiff or Class Counsel, on behalf of the Named Plaintiff or any Class
8 Member, or the Defendant at any time believes that the other Party has breached or acted
9 contrary to the Agreement, that Party shall notify the other Party in writing of the alleged
10 violation.
- 11 b. Upon receiving notice of the alleged violation or dispute, the responding Party shall have
12 ten (10) calendar days to correct the alleged violation and/or respond to the initiating Party
13 with the reasons why the Party disputes all or part of the allegation.
- 14 c. If the response does not address the alleged violation to the initiating Party's satisfaction,
15 the Parties shall negotiate in good faith for up to ten (10) calendar days to resolve their
16 differences.
- 17 d. If Class Counsel and Defense counsel are unable to resolve their respective parties'
18 differences after twenty (20) calendar days referenced in Section III, Paragraph 23(a)-(c),
19 supra, either Party may elect to file (1) an appropriate Code of Civil Procedure section
20 664.6 motion for enforcement with the Court, or (2) take any other legal action to enforce
21 this Settlement Agreement.
- 22 e. In the event that the Court does not agree to adopt the above dispute resolution procedure
23 as part of its Order granting final approval to the Settlement, then the above provisions for
24 Dispute Resolution (Section III, paragraph 23(a)-(d)) are null and void, the remainder of
25 the settlement is unaffected, and the parties shall remain free to submit disputes and/or
26 motions for enforcement of the settlement via appropriate noticed motion or ex parte
27 application as though Section III, paragraph 23 was not included herein.

28 25. No Retaliation. Defendant will not take any adverse action against any Class Member
because of the existence of, and/or participation in, the Settlement, or because they choose to benefit from

1 the Settlement or to object to the Settlement. Defendant will not take action to discourage Class Members
2 from participating in the Settlement.

3 26. Exhibits And Headings. The terms of this Agreement include the terms set forth in any
4 attached Exhibit 1 which is incorporated by this reference as though fully set forth herein. Any exhibits to
5 this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or
6 sections of this Agreement are inserted for convenience of reference only and do not constitute a part of
7 this Agreement.

8 27. Interim Stay Of Proceedings. The Parties agree to hold all proceedings in the Action,
9 except such proceedings necessary to implement and complete the Settlement, in abeyance pending the
10 Settlement Hearing to be conducted by the Court.

11 28. Amendment Or Modification. This Agreement may be amended or modified only by a
12 written instrument signed by counsel for all Parties or their successors-in-interest.

13 29. Entire Agreement. This Agreement and any attached exhibits constitute the entire
14 agreement among these Parties, and no oral or written representations, warranties or inducements have
15 been made to any Party concerning this Agreement or its exhibits other than the representations, warranties
16 and covenants contained and memorialized in such documents. Defendant shall not be required as part of
17 the Settlement to modify or eliminate any of its personnel, compensation or payroll practices, or adopt
18 any new personnel, compensation or payroll practices.

19 30. Authorization To Enter Into Settlement Agreement. Counsel for all Parties warrant and
20 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement
21 and to take all appropriate action required or permitted to be taken by such Parties pursuant to this
22 Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of
23 this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to
24 effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the
25 form or content of any document needed to implement the Settlement, or on any supplemental provisions
26 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
27 of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant
28 represents and warrants that they are authorized to sign this Agreement on behalf of Defendant.

31. Binding On Successors And Assigns. This Agreement shall be binding upon, and inure to

1 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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

4 33. No Public Disclosure prior to Preliminary Approval: Named Plaintiff, Defendant, and Class
5 Counsel will not make any public disclosure of the Settlement until after the filing of the Application for
6 Preliminary Approval of the Settlement. Named Plaintiff, Defendant, and Class Counsel represent that
7 they have not made any such disclosure. The foregoing shall not preclude Named Plaintiff or Class
8 Counsel from advising Class Members regarding this Settlement. This section does not preclude Class
9 Counsel or Named Plaintiff from performing their duties as Class Counsel and/or Class Representative.
10 This section does not preclude the posting of the Order and Judgment of Final Approval on the Settlement
11 Administrator's website. Notwithstanding the foregoing, the Parties agree that Defendant may make such
12 disclosures that in Defendant's judgment are required in the ordinary course of business, except that
13 Defendant and its counsel shall not encourage Class Members to opt out. Thereafter, Class Counsel and
14 Named Plaintiff agree not to publicize the terms of this Settlement with the media or others, including but
15 not limited to, any newspaper, journal, magazine, website, and/or on-line reporter of settlements. Class
16 Counsel may also include references to this Settlement in their curriculum vitae, for purposes of
17 presentations and in court filings only. With the exception of those made in court filings, any references
18 to this Settlement made by class counsel pursuant to this paragraph shall not identify Defendant by name.

19 34. Counterparts. This Agreement may be executed in one or more counterparts. All executed
20 counterparts and each of them shall be deemed to be one and the same instrument provided that counsel
21 for the Parties to this Agreement shall exchange among themselves original signed counterparts.

22 35. This Settlement Is Fair, Adequate And Reasonable. The Parties believe this Settlement is
23 a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive
24 arms-length negotiations, taking into account all relevant factors, present and potential.

25 36. Jurisdiction Of The Court. The Court shall retain jurisdiction, pursuant to Code of Civil
26 Procedure Section 664.6 or otherwise, with respect to the interpretation, implementation and enforcement
27 of the terms of this Agreement and all orders and judgments entered in connection therewith, and the
28 Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting,
implementing and enforcing the settlement embodied in this Agreement and all orders and judgments

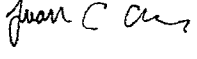
entered in connection therewith.

37. Cooperation And Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

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

9/18/2020
Dated: _____

PLAINTIFF

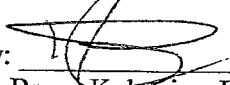


Juan Alcaraz

Represented By:

Dated: 9/18/20

KOKOZIAN LAW FIRM, APC

By: 

Bruce Kokozyan, Esq.
Attorney for Plaintiff

Dated: _____

WESTERN SHIELD ACQUISITIONS, LLC

By: _____

Their: _____

Represented by:

Dated: _____

Pacific Employment Law

By: _____
Noah Levin, Esq.

entered in connection therewith.

37. Cooperation And Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

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

PLAINTIFF

Dated: _____

Juan Alcaraz

Represented By:

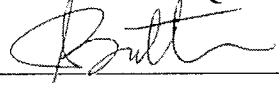
KOKOZIAN LAW FIRM, APC

Dated: _____

By: _____
Bruce Kokozyan, Esq.
Attorney for Plaintiff

WESTERN SHIELD ACQUISITIONS, LLC

Dated: 9/18/20

By: 

Their: VP Controller

Represented by: **Aurora Bautista**

Dated: 9/18/20

Pacific Employment Law

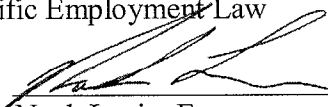
By: 
Noah Levin, Esq.

Exhibit “1”

NOTICE OF CLASS ACTION SETTLEMENT

If you are or were a non-exempt hourly paid employee of Western Shield Acquisitions, LLC in California, anytime between January 15, 2016 and October 31, 2020, you may be entitled to receive money from a class action settlement.

A court approved this notice. This is not an advertisement.

You are not being sued. Your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

WHAT IS IN THIS NOTICE

1.	Why Should You Read This Notice?.....	Page 1
2.	What Is the Case About?	Page 1
3.	What does the Settlement Provide?.....	Page 2
4.	What Is the Class Action Settlement?	Page 2
5.	What Are my Rights? How Will My Rights Be Affected?	Page 2
6.	Who Are the Attorneys Representing the Parties?	Page 4
7.	How Will the Attorneys for the Class and Costs Be Paid?.....	Page 4

1. *Why should you read this notice?*

On January 15, 2020 Plaintiff Juan Alcaraz (“Plaintiff”) filed a putative class action complaint against his former Western Shield Acquisitions, LLC. This Notice describes the lawsuit and explains your rights in the settlement. You have received this Notice because records indicate that you are a Class Member. Class Members include all current and former non-exempt hourly paid employees who worked for Western Shield Acquisition, LLC in California at any time from January 15, 2016 to October 31, 2020.

In September 2020 the Parties reached a class wide settlement as a compromise to resolve Plaintiff’s individual and representative claims, subject to Court approval. On [date], the Los Angeles County Superior Court preliminary approved the class action settlement and has ordered that this Notice be provided to you. ***The court has not determined who is right or wrong in this lawsuit.***

2. *What is the case about?*

Plaintiff asserted claims against on behalf of all current and former non-exempt hourly paid employees who worked for Defendant Western Shield Acquisitions, LLC in California, including claims for: (a) unpaid overtime wages; (b) unpaid minimum wages; (c) failure to pay overtime wages at the legal overtime rate (d) failure to provide meal breaks; (e) failure to provide rest periods; (f) failure to promptly pay all wages due and owing at the time of an employee’s termination or discharge; (g) failure to issue properly itemized wage statements; (h) violations of California’s Business and Professions Code; and (i) violations of the Private Attorneys General Act of 2004.

Western Shield Acquisitions, LLC vehemently denies any and all wrongdoing and liability. contends it conducted business and compensated employees consistent with the laws of the State of California. Western Shield Acquisitions, LLC contends it has no liability for any of claims under any statute,

wage order, common law, or equitable theory. The court has not ruled on the merits of Plaintiff's claims.

3. What does the settlement provide?

As part of the settlement terms, in exchange for a class release of the claims asserted by Plaintiff, Western Shield Acquisitions, LLC will pay \$95,000 (Gross Fund Value), including attorneys' fees, costs, third-party settlement administrator costs, the class representative enhancement payment, payment to the California Labor and Workforce Development Agency, and payment to Participating Class Members. Plaintiff will request from the Gross Fund Value: (1) \$31,666.66 for attorneys' fees, (2) up to \$7,000 in costs, (3) up to \$6,500 for settlement administration costs to CPT Group, (4) up to \$4,000 as a service award to Class Representative Juan Alcaraz, and (5) a PAGA payment of \$2,400, of which \$600 will be distributed to Participating Class Members and \$1,800 will be paid to the California Labor and Workforce Development Agency. After deductions of all the preceding amounts, the remaining amount will be distributed as Settlement Awards to Participating Class Members (Net Fund Value). The Net Fund Value will be divided by the Aggregate Workweek Total worked by all Class Members to determine the approximate weekly settlement amount for Class Members. Defendant will provide the Settlement Administrator with each Class Members' Total Workweeks based on its records.

Western Shield Acquisitions, LLC records indicate that you were employed for _____ Total Workweeks during the Class Period of January 15, 2016 to October 31, 2020.

Based on this estimate and Western Shield Acquisitions, LLC records, your estimated Settlement Award is \$ _____.

If you dispute your number of Total Workweeks, you must contact the Settlement Administrator and notify them in writing the number of workweeks you believe you were employed and provide any supporting documentation. If you do not provide documents, your settlement payment will be calculated according to the Defendant's records. The dispute must be sent to the Settlement Administrator's address listed in this notice and must be postmarked no later than [date]. It is also your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your Settlement Award.

Subject to court approval, you do not need to take any further action to receive money from this settlement.

4. What is the Class Action Settlement?

In a class action lawsuit, one person called "Plaintiff" or "Class Representative" sues on behalf of other people who may have similar claims. In this case, the Plaintiff is Juan Alcaraz. All these people are a "Class" or "Class Members." The company he sued is called the Defendant. In this case, the Defendant is Western Shield Acquisitions, LLC. One court resolves the issues for everyone in the Class – except

for those people who choose to exclude themselves from the Class. In this case, the court is the Los Angeles County Superior Court.

5. *What are my rights? How will my rights be affected?*

Participating in the Settlement

Under the settlement, you will **automatically** receive a settlement payment unless you opt out by following the opt-out procedure set forth below. If approved by the Court, the Settlement Agreement and release will be binding on all Participating Class Members who do not timely opt out of the settlement.

If you are a current employee of Western Shield Acquisitions, LLC, your decision about whether or not to participate in this settlement will not affect your employment with Western Shield Acquisitions, LLC.

Opting Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must mail a written statement to the Settlement Administrator, at the address below, requesting to be excluded from the Settlement. To be considered valid, your request for exclusion must be in writing, signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. Your request for exclusion also must clearly indicate that you desire to be excluded from the Settlement. To be considered timely, your request for exclusion must be mailed by First-Class Mail or equivalent, and postmarked no later than [date]. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Late requests for exclusion (opt-out requests) will not be considered.

If you file a timely and valid written request for exclusion, you will no longer be a member of the Class, and you will not be eligible to receive money under the Settlement or object to the terms of the Settlement, and you will not be bound by the terms of the Settlement.

Objecting to the Settlement

If you wish to Object to the Settlement, you may advise the Court about your objection stating why you object to the settlement. Your objection must state your full name, last four digits of your social security number, dates of employment, address, and telephone number, a statement providing the basis for your objections, a statement advising if you plan to address the Court at the Settlement Fairness Hearing, and any legal briefs, papers or memoranda you propose to submit to the Court. The objection must be mailed to Settlement Administrator, at the address below, and must be postmarked no later than [date].

You may also, if you wish, appear at the Settlement Fairness Hearing on [date] at [time] in Dept. 6 of the Los Angeles County Superior Court to discuss your objections with the Court and the Parties regardless of whether or not you submitted a written objection to the Settlement Administrator. Class Members may appear remotely, if you wish, for the Final Approval Hearing and should contact the court clerk for Department 6 for instructions on how to appear remotely. The Settlement Fairness Hearing may be continued to another date without further notice. If you object to the settlement, you may still receive your share of the settlement amount if the court approves the settlement despite objections.

Effect of the Settlement on Your Rights

If the proposed settlement is approved by the Court, a Judgment will be entered by the Court and upon entry of Judgment all Participating Class Members shall fully and finally release and discharge Defendant Western Shield Acquisitions, LLC and its successors in interest, past, present, or future parents, subsidiaries and related or affiliated corporations, and their past, present, or future officers, directors, shareholders, employees, agents, principals, heirs, joint employers, staffing agencies, representatives, accountants, auditors, attorneys, consultants, insurers, and reinsurers, and each of their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and each of their company-sponsored employee benefit plans, and all of their respective officers, directors, owners, employees, administrators, fiduciaries, trustees, and agents, and any individual or entity which could reasonably be determined to be jointly liable with Defendant, or any of them (“Released Parties”) of all claims, rights, demands, liabilities, damages, attorneys’ fees, costs, and causes of action of every nature and description, whether known or unknown, arising from any and all claims which were asserted in the Action or could have been asserted based on the facts alleged in the Action, and arising during the Class Period of this settlement, including statutory, constitutional or common law claims for wages, damages, unpaid costs, liquidated damages, penalties, interest, attorneys’ fees, litigation costs, restitution, equitable relief, or other relief under California Business & Professions Code §17200, et seq. based on the following categories of allegations as set forth in the operative complaint: (a) all claims for unpaid overtime wages; (b) all claims for unpaid minimum wages; (c) all claims for failure to pay overtime wages at the legal overtime pay rate; (d) all claims for failure to provide meal periods; (e) all claims for failure to authorize and permit rest periods; (f) all claims for the failure to promptly pay all wages due and owing at the time of an employee’s termination or discharge; (g) all claims for the failure to issue properly itemized wage statements; (h) all claims for Unfair Competition or Business Practices under California’s Business and Professions Code based on the preceding claims; (i) all claims for any and all penalties pursuant to the California Labor Code and/or the Private Attorneys General Act of 2004 based on the preceding claims. (“Released Claims”).

If the Court finally approves the Settlement, settlement checks will be mailed to Class Members who have not opted out of the Settlement.

Those funds represented by Settlement checks returned as undeliverable and those Settlement checks remaining uncashed for more than 180 days after issuance (collectively, “Uncashed Settlement Checks”) shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500 et seq. for the benefits of those Settlement Class Members who did not cash their checks until they claim their property.

6. <i>Who are the attorneys representing the parties?</i>

Class Counsel, appointed and approved by the Court for settlement only, will represent you. However, you may choose to be represented by your own counsel at your own cost.

Attorneys for Plaintiff & the Class are:

Bruce Kokozian, Esq.
KOKOZIAN LAW FIRM, APC
9440 South Santa Monica, Blvd., Suite 510
Beverly Hills, CA 90210
Telephone (323) 857-5900

Attorneys for Western Shield Acquisitions are:

Maureen Bogue, Esq.
Noah Levin, Esq.
Pacific Employment Law
260 California Street, Suite 500
San Francisco, CA 94111

7. *How will the attorneys for the class and costs be paid?*

Class Counsel is seeking an award from the Court for attorneys' fees of up to \$31,666.66 and documented litigation costs of up to \$7,000. Juan Alcaraz is seeking a service award from the Court of up to \$4,000. The actual amounts awarded will be determined by the Court.

If you need more information or have any questions, you may contact the Settlement Administrator at the telephone number listed below.

Alcaraz v. Western Shield Acquisitions, LLC.
c/o [Settlement Administrator]
[ADDRESS]
[PHONE]

**PLEASE DO NOT CONTACT THE COURT
FOR INFORMATION ABOUT THIS SETTLEMENT.**