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**SUPERIOR COURT OF CALIFORNIA**

**COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

\* \* \*

CHARLES GOULET, an individual, and  
STACEY BELL, an individual, on behalf  
of themselves and all others similarly  
situated,

Plaintiffs,

vs.

INDUSTRIAL FINISHES & SYSTEMS,  
INC., an Oregon Corporation, and DOES 1  
through 50 inclusive,

Defendants.

**CLASS ACTION**

**Case No.: 20STCV09977**

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

Hearing Date: July 1, 2022

Hearing Time: 9:00 a.m.

Department: 17

Judge: Hon. Maren E. Nelson

Date filed: March 12, 2020

Trial date: None set

This Second Amended Joint Stipulation of Settlement and Release of Class Action (“Stipulation” or “Agreement”) is made and entered into by Plaintiffs CHARLES GOULET and STACEY BELL (collectively “Plaintiffs”), individually and as representatives of the Settlement Class, as defined below, and Defendant INDUSTRIAL FINISHES & SYSTEMS, INC. (“Defendant”). Plaintiffs and Defendant shall hereinafter be collectively referred to as “the Parties.” The Parties expressly acknowledge that this Stipulation amends and supersedes the “Amended Joint Stipulation for Class Action Settlement” previously entered into and executed by Plaintiff CHARLES GOULET, Plaintiff STACEY BELL and Defendant INDUSTRIAL FINISHES & SYSTEMS, INC. on May 13, 2022. This Stipulation is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement of this Action on a class-wide basis subject to the following terms and conditions. As detailed below, in the event the Court does not enter orders consistent with the terms of the Settlement or the conditions precedent are not met for any reason, this Stipulation shall be void and shall be of no force or effect whatsoever.

#### **I. DEFINITIONS.**

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

##### **1. Action.**

“Action” shall refer to the First Amended Complaint filed by Plaintiffs Charles Goulet and Stacey Bell on April 27, 2021, which is the operative complaint in Los Angeles County Superior Court case no. 20STCV09977.

##### **2. Administrative Expenses.**

“Administrative Expenses” shall include all costs and expenses associated with the Settlement Administrator.

##### **3. Aggrieved Employees.**

The “Aggrieved Employees,” for purposes of this Settlement, shall consist of all nonexempt employees of Defendant who performed work for Defendant in California during the

time period of March 6, 2019, to December 26, 2020.

**4. Claims.**

“Claim” or “Claims” or “Released Claim(s)” as used herein shall mean and include all causes of action and/or claims that were actually asserted in the Action, or arise from the facts actually alleged in the Action, against Defendant and any of its predecessors, successors, assignees, current, former, and future parents, subsidiaries, affiliates, representatives, lawyers, insurers, agents, partners, assigns, subrogees, officers, shareholders and directors (hereinafter collectively the “Released Parties”). The Released Claims include violations of the California Labor Code, the California Business & Professions Code Section 17200 *et seq.*, and the applicable Industrial Welfare Commission Wage Orders, or any similar state or federal law, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, arising out of or based upon the following categories of allegations: (i) all claims for unpaid minimum wages; (ii) all claims for unpaid overtime; (iii) all claims for meal period violations; (iv) all claims for rest period violations; (v) all claims for wage statement violations; (vi) all claims for the failure to timely pay wages upon termination; (vii) all claims for the failure to reimburse for business expenses; and (viii) all claims of unfair competition. The Released Claims shall also include any and all claims for civil penalties that could have been assessed or collected by Plaintiffs or the LWDA under the PAGA, based on the factual allegations of Plaintiffs’ March 6, 2020 letter to the LWDA and/or Plaintiffs’ First Amended Complaint, filed in this Action on or around April 27, 2021, including but not limited to any claims for civil penalties for failure to pay minimum wages, failure to pay overtime, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to timely pay all wages, failure to issue accurate itemized wage statements, failure to maintain accurate payroll records for its non-exempt employees, failure to reimburse for business expenses, and failure to pay all wages due and owing upon termination.

**5. Settlement Classes.**

The “Settlement Class” for the purposes of this settlement only, shall consist of the following: All nonexempt employees of Defendant who performed work for Defendant in

California during the time period of March 12, 2016, to December 26, 2020.

**6. Class Counsel.**

“Class Counsel” shall mean attorneys Jake D. Finkel and Joshua Park of the Law Offices of Jake D. Finkel.

**7. Class Attorneys’ Fees and Expenses.**

“Class Attorneys’ Fees and Expenses” shall mean Class Counsel’s attorneys’ fees and expenses as set forth in Section IV.6.

**8. Class Member or Settlement Class Member.**

“Class Member” or “Settlement Class Member” shall mean any person who is a member of the Settlement Class, including Plaintiffs, or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-in-interest.

**9. Class Notice.**

“Class Notice” shall mean the Notice of Class Action and PAGA Settlement, Employment Information and Dispute Form and Request for Exclusion from Cass Form attached hereto as Exhibit A respectively, or as otherwise approved by the Court, which is to be mailed to Class Members.

**10. Class Representative.**

“Class Representatives” shall mean Plaintiffs Charles Goulet and Stacey Bell.

**11. Notice Period.**

“Notice Period” shall mean the period commencing on the date the Notice of Class Action and PAGA Settlement, Employment Information and Dispute Form and Request for Exclusion from Cass Form are first mailed and ending forty-five (45) calendar days thereafter. If the Notice Period as defined herein concludes on a Saturday, Sunday, or holiday, then the Notice Period shall be extended to the next calendar day that is not a Saturday, Sunday, or holiday.

**12. Class Settlement or Settlement.**

“Class Settlement” or “Settlement” shall mean the settlement embodied in this Stipulation, which is subject to Court approval.

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1           **13. Court.**

2           “Court” shall mean the Superior Court of California in and for the County of Los Angeles.

3           **14. Defendants.**

4           “Defendant” shall mean Industrial Finishes & Systems, Inc.

5           **15. Defense Counsel.**

6           “Defense Counsel” shall mean the attorneys S. Brett Sutton, Jared Hague, and Brady  
7 Briggs of Sutton Hague Law Corporation, P.C.

8           **15. Effective Date.**

9           “Effective Date” shall be the date when all of the following events have occurred: (a) this  
10 Stipulation has been executed by all Parties and by Class Counsel and Defense Counsel; (b) the  
11 Court has given preliminary approval to the Settlement; (c) notice has been given to the Class  
12 Members providing them with an opportunity to exclude themselves from the Settlement; (d) the  
13 Court has held a Final Approval and Fairness Hearing and entered a final order and judgment  
14 certifying the Class and approving this Stipulation; and (e) the time for appeal, if applicable (as  
15 explained herein), has expired. If no Objection was made to the settlement, there is no right to  
16 appeal and the Effective Date is the Date the Court signs the final order and judgment. If an  
17 Objection has been filed, the Effective Date means: (1) the date of final affirmation of the Final  
18 Approval from any appeal, the expiration of the time for, or the denial of, a petition to review the  
19 Final Approval, or if review is granted, the date of final affirmation of the Final Approval following  
20 review pursuant to that grant; or (2) the date of final dismissal of any appeal from the Final  
21 Approval or the final dismissal of any proceeding to review the Final Approval, provided that the  
22 Final Approval is affirmed and/or not reversed in any part; or (3) if no appeal is filed, the expiration  
23 date of the time for the filing or noticing of any appeal from the Court’s Final Approval of the  
24 Resolution, as determined under Rule 8.104(a)(3) of the California Rules of Court.

25           **16. Enhancement Payment.**

26           “Enhancement Payment” shall mean any additional monetary payment provided to the  
27 Named Plaintiffs for their efforts and risks on behalf of the Class in this Action.

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**17. Final Approval and Fairness Hearing.**

“Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

**18. Gross Fund Value.**

“Gross Fund Value” or “GFV” shall mean Two Hundred and Ninety Thousand Dollars and Zero Cents (\$290,000.00). Defendant shall pay the GFV, less a full credit of Thirty Thousand Dollars and Zero Cents (\$30,000.00) for money previously paid to Settlement Class Members, which will result in a net payment of Two Hundred and Sixty Thousand Dollars and Zero Cents (\$260,000.00) (which shall be referred to as “Net Fund Value” or “NFV”), as a full and global settlement of all Claims as defined herein. The NFV will be paid by Defendant pursuant to the Class Settlement. The GFV covers: (1) all amounts paid in full settlement of this Action; (2) Administrative Expenses; (3) Required Tax Withholding (excluding Defendant’s share of any payroll taxes which are to be satisfied by Defendant separate and apart from this Agreement); (4) Enhancement Payments; (5) allocation to the California Labor and Workforce Development Agency (“LWDA”) pursuant to Plaintiffs’ claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”); and (6) Class Attorneys’ Fees and Expenses.

**19. Hearing on Preliminary Approval.**

“Hearing on Preliminary Approval” shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

**20. Individual Settlement Amount.**

“Individual Settlement Amount” shall mean the amount which is ultimately distributed to each Class Member, net of any taxes withheld by the Settlement Administrator.

**21. Named Plaintiffs.**

“Named Plaintiffs” shall mean Plaintiffs Charles Goulet and Stacey Bell.

**22. Net Settlement Amount.**

“Net Settlement Amount” or “NSA” shall mean the NFV, less the Class Attorneys’ Fees and Expenses, Administrative Expenses, Enhancement Payment, Required Tax Withholding, and payment made to the LWDA pursuant to PAGA.

**23. Opt-Out(s).**

“Opt-Out(s)” shall mean any and all Settlement Class Members who timely and validly submit a Request for Exclusion in accordance with the terms of the Class Notice.

**24. Opt-Out Request.**

“Opt-Out Request” shall mean a timely and valid Request for Exclusion from a Settlement Class Member in accordance with the terms of the Class Notice, or as otherwise approved by the Court.

**25. PAGA Award**

For purposes of this Settlement, the “PAGA Award” shall be the amount of the GFV comprising civil penalties under the Private Attorneys General Act of 2004 (Labor Code section 2698 et seq.), or \$20,000. Seventy-five percent (75%) of the PAGA Award (equaling \$15,000) shall be paid to the LWDA pursuant to Labor Code section 2699(i). The remaining twenty-five percent (25%) of the PAGA Award (equaling \$5,000) shall be distributed to the Aggrieved Employees as described below in Section IV.3.

**26. PAGA Period**

For purposes of this Settlement, the “PAGA Period” or “PAGA Recovery Period” shall commence one year prior to the postmarked date of Plaintiff’s notice of violations to the LWDA, or on March 6, 2019, and end on December 26, 2020.

**27. Parties.**

“Parties” shall mean the Named Plaintiffs and Defendant.

**28. Preliminary Approval Date.**

“Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Stipulation.

**29. Released Claims.**

See “Claims” at Section I.4.

**30. Released Parties.**

“Released Parties” as used herein, means Defendant, including its predecessors, successors, and assignees, as well as Defendant’s current, former, and future parents, subsidiaries,

1 affiliates, representatives, lawyers, insurers, agents, partners, assigns, subrogees, officers,  
2 shareholders, and directors.

3 **31. Settlement.**

4 “Settlement” shall mean the settlement between the Parties, which is memorialized in this  
5 Stipulation.

6 **32. Settlement Administrator.**

7 “Settlement Administrator” means Simpluris, Inc., or any other third-party administrator  
8 mutually agreed to by the Parties and approved by the Court, which will perform the duties of: (a)  
9 mailing the Notice Packets (defined below) to the Settlement Class; (b) tracking requests for  
10 exclusion; (c) answering inquiries from Settlement Class Members; (d) notifying Parties of timely,  
11 untimely and deficient requests for exclusion received; (e) calculating the amounts due to each  
12 Participating Class Member (defined below) pursuant to the Settlement; (g) providing settlement  
13 payments, along with IRS Forms W-2 and 1099, to Participating Settlement Members and to the  
14 taxing authorities (except as otherwise provided in the Settlement); (h) reporting the settlement  
15 amounts of each Participating Settlement Class Members and to all required taxing and other  
16 authorities; (i) taking appropriate withholding from the settlement amounts of each Participating  
17 Class Member, and paying all employer payroll taxes and other required payments withheld; (j)  
18 utilizing the National Change of Address Database maintained by the United States Postal Service,  
19 mail-forwarding information and/or skip tracing methods, as reasonable, to update the mailing list  
20 and taking steps to send Notice Packets to current mailing addresses; (k) performing such other  
21 duties as are described herein; and (l) establishing a Qualified Settlement Fund pursuant to  
22 applicable law for the purpose of administering this Settlement.

23 **33. Settling Parties.**

24 “Settling Parties” shall mean the Named Plaintiffs, the Settlement Class, and Defendant.

25 **34. Stipulation.**

26 “Stipulation” shall mean this Amended Joint Stipulation of Class Action Settlement and  
27 Release, including any attached exhibits.

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1           **35. Required Tax Withholding.**

2           “Required Tax Withholding” shall mean any and all applicable federal, state or local  
3 payroll taxes including those collected under authority of the Federal Insurance Contributions Act  
4 (“FICA”) attributable to any Class Member’s Individual Settlement Amount that constitutes wages  
5 as set forth in herein. Defendant’s share of any payroll taxes attributable to wages shall be paid by  
6 Defendant separate and apart from any obligations of Defendant set forth herein.

7           **II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION.**

8           **1. Named Plaintiffs’ Claims.**

9           On or about March 12, 2020, Plaintiff Charles Goulet filed a Class Action Complaint  
10 against Defendant in the Action setting forth the following causes of action: 1) Failure to Pay  
11 Minimum Wage and Overtime Wages; 2) Failure to Provide Meal Periods; 3) Failure to Provide  
12 Rest Periods; 4) Failure to Reimburse for Necessary Expenditures; 5) Failure to Provide Accurate  
13 Wage Statements; 6) Failure to Pay Wages Upon Ending Employment; and 7) Unfair Competition  
14 under California Business & Professions Code section 17200 *et seq.*

15           On or about April 27, 2021, Named Plaintiffs filed a First Amended Complaint in the  
16 Action, which is the operative complaint at the time of settlement, adding Plaintiff Stacey Bell and  
17 a Named Plaintiff and adding a claim for civil penalties under PAGA.

18           **2. Discovery, Investigation, Motion Practice and Research.**

19           The Parties conducted internal and informal investigations regarding the instant matter  
20 including GPS records provided by Plaintiff Stacie Bell. Prior to attending mediation Defendant  
21 voluntarily produced copies of Plaintiffs’ timecards and wage statements and timecards and wage  
22 statements for 10 putative class members, or approximately 15% of the putative class, prior to the  
23 mediation. Defendant represented there were approximately 6,359 collective workweeks for the  
24 putative class during the class period. Plaintiffs informal and formal investigation included, among  
25 other things: (1) inspection and analysis of employee documents and data, including personnel  
26 files, time and payroll records, employment policies and procedures, and other relevant documents;  
27 (2) evaluation of legal positions taken by Defendants; (3) evaluation of potential class-wide  
28 damages and PAGA penalties; and (4) review and research of applicable law with respect to the

1 claims and potential defenses brought by Defendants. Class Counsel has vigorously prosecuted  
2 this Class Action, and Defendants have vigorously defended it. The Parties have engaged in  
3 sufficient discovery and investigation to assess the relative merits of the claims and contentions of  
4 the Parties.

5 Defendant denies Plaintiffs' claims. Defendant does not believe that any liability to  
6 Plaintiffs or Settlement Class Members exists or that Plaintiffs or Settlement Class Members are  
7 entitled to any recovery. In addition, Defendant contends that Plaintiffs' claims are not suitable  
8 for class or representative action treatment. Nothing in this Stipulation of Settlement shall be  
9 construed to be or deemed an admission by Defendant of any liability, culpability, negligence or  
10 wrongdoing toward the Class Representative, the Settlement Class Members or any other person  
11 and Defendant specifically disclaims any liability, culpability, negligence or wrongdoing toward  
12 the Class Representative, the Settlement Class Members or any other person and further denies  
13 that class certification or representative action treatment is appropriate. Nothing in this Settlement  
14 Agreement will be offered or used for the purpose of arguing or asserting this settlement is an  
15 admission of liability by Defendant.

16 On October 13, 2020, the Parties participated in a full-day of mediation of this dispute with  
17 mediator the Carl J. West, Ret. ("West"), with Jams ADR via Zoom. The mediation did not result  
18 in a settlement. On October 23, 2020, West submitted a Mediator's Proposal for a GSV of Two  
19 Hundred Ninety Thousand U.S. Dollars (\$290,000.00). The Parties agreed to accept the Mediator's  
20 Proposal. All of the terms of the Parties' settlement are contained within this Stipulation of  
21 Settlement. At all times, the Parties' settlement negotiations have been non-collusive, adversarial  
22 and at arm's length.

23 Discussions between counsel for the Parties, as well as the Parties' investigation and  
24 evaluation of Plaintiffs' claims, have permitted each side to assess the relative merits of the claims  
25 and the defenses to those claims. The Parties agree that the above-described investigation and  
26 evaluation, as well as the information exchanged during settlement negotiations and mediation,  
27 are more than sufficient to assess the merits of the respective Parties' positions and to compromise  
28 the issues on a fair and equitable basis. Based on their own independent investigations and

1 evaluations, Class Counsel is of the opinion that the consideration and terms of the Settlement as  
2 set forth below, considering the representative and class claims and the risk of loss, are fair,  
3 reasonable and adequate in light of all known facts and circumstances and are in the best interests  
4 of the Class. Class Counsel is also of the opinion that the total consideration and settlement  
5 payment set forth in this Stipulation of Settlement is adequate in light of the uncertainties  
6 surrounding the risk of further litigation and the possible defenses and offset claims that Defendant  
7 has asserted and could assert.

8 Defendant and its counsel have similarly concluded that it is desirable that the Action be  
9 settled in a manner and upon such terms and conditions set forth herein in order to avoid further  
10 expense, inconvenience and distraction of further legal proceedings and the risk of the outcome of  
11 the Action. Therefore, Defendant has determined that it is desirable and beneficial to finally and  
12 fully put to rest the claims in the Action.

13 **3. Allegations of the Class Representatives and Benefits of Settlement.**

14 Plaintiffs and Class Counsel recognize the length of continued proceedings necessary to  
15 litigate their disputes through certification, trial, and any possible appeal. Plaintiffs and Class  
16 Counsel have also taken into account the uncertainty and risk of the outcome of further litigation,  
17 the difficulties and delays inherent in such litigation, including, but not limited to, the risks related  
18 to a contested motion for class certification, and the risks related to liability raised by the issues in  
19 this case. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish  
20 liability for the claims asserted in the Action and the difficulties in establishing damages for the  
21 Settlement Class Members. Plaintiffs and Class Counsel have also taken into account Defendants'  
22 agreement to enter into a settlement that confers substantial relief upon Settlement Class Members.  
23 Based on the foregoing, Plaintiffs and Class Counsel have determined that this Settlement is a fair,  
24 adequate, and reasonable, and is in the best interests of the Settlement Class Members.

25 **4. Defendant's Denials of Wrongdoing and Liability.**

26 Defendant denied and continues to deny each and every material factual, procedural, and/or  
27 legal allegation and alleged claim asserted in the Action. Defendant contends that it complied in  
28 good faith with wage and hour laws and dealt legally and fairly with Named Plaintiffs and the

1 Settlement Class Members. Defendant denies that Named Plaintiffs and the Class Members would  
2 be entitled to statutory and/or civil penalties as a result of Named Plaintiffs' claims in this Action.  
3 Defendant further denies that, for any purpose other than settling this Action, these claims are not  
4 appropriate for class or representative treatment. Nonetheless, Defendant concluded that further  
5 proceedings in the Action would be protracted and expensive and that it is desirable that the Action  
6 be fully and finally settled in the manner and upon the terms and conditions set forth in this  
7 Stipulation in order to dispose of burdensome and protracted litigation, to permit the operation of  
8 Defendant's business without further expensive litigation and the distraction and diversion of its  
9 personnel with respect to matters at issue in the Action. Defendant also took into account the  
10 uncertainty and risks inherent in any litigation, especially in complex cases such as the Action.  
11 Defendant therefore determined that it is desirable and beneficial to its business that the Action be  
12 settled in the manner and upon the terms and conditions set forth in this Stipulation.

13 Furthermore, the settlement of this Action, the negotiation and execution of this  
14 Stipulation, and all acts performed or documents executed pursuant to or in furtherance of this  
15 Stipulation are not, shall not be deemed to be, and may not be used as, an admission or evidence  
16 of any wrongdoing or liability on the part of Defendant, or of the truth of any of the factual  
17 allegations of the Action, and are not, shall not be deemed to be, and may not be used as, an  
18 admission or evidence of any fault or omission on the part of Defendant in any civil, criminal, or  
19 administrative proceeding in any court, administrative agency, or other tribunal.

20 **5. Intent of the Settlement.**

21 The Class Settlement set forth herein intends to achieve the following: (1) entry of an order  
22 granting preliminary approval of the Settlement; (2) entry of an order granting provisional  
23 certification of the Settlement Class for settlement purposes only; (3) entry of an order approving  
24 the Class Notice; (4) entry of an order granting final approval of the Settlement; (5) entry of  
25 Judgment effecting the provisions of this Stipulation; and (6) discharge of Released Parties from  
26 liability for any and all of the Released Claims including a general release as to the Named  
27 Plaintiffs. Separate and apart from this Settlement, Defendant agreed to separately settle Named  
28 Plaintiffs' individual wrongful termination claims which is set forth in separate Confidential

1 Settlement Agreements which contain a general release and for which the Parties are agreeable to  
2 disclosing to the Court for its review.

3 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS**  
4 **COUNSEL.**

5 **1. The Settlement Class.**

6 For the purposes of this Stipulation and the Settlement of this Action only, the Parties  
7 stipulate to provisional class certification of the Settlement Class pursuant to California Rule of  
8 Court 3.769. Defendant's Counsel believes this provisional certification is appropriate because the  
9 Released Claims are being compromised without need to establish the elements of those claims on  
10 which liability turns.

11 **2. Appointment of Class Counsel.**

12 For purposes of this Stipulation and subject to the Court's approval, the Parties hereby  
13 stipulate to the appointment of Class Counsel as counsel for the Class and the effectuation of the  
14 Settlement pursuant to this Stipulation.

15 **IV. SETTLEMENT CONSIDERATION.**

16 **1. Gross Fund Value.**

17 The Gross Fund Value and other actions and forbearances taken by Named Plaintiffs shall  
18 constitute adequate consideration for the Settlement and will be made in full and final settlement  
19 of: (a) the Released Claims, (b) the Class Attorneys' Fees and Expenses, (c) the Administrative  
20 Expenses, (d) the Enhancement Awards, (e) Required Tax Withholding, (f) PAGA payments, and  
21 (h) any other obligation of Defendant under this Stipulation.

22 After the Court issues an Order preliminarily approving this Settlement and provisionally  
23 certifying the Settlement Class, the Settlement Administrator will distribute Notice Forms to all  
24 Class Members. The forms shall identify the Class Member as well as the Class Member's  
25 projected Individual Settlement Amount if they choose to fully participate in the Settlement.

26 **2. Enhancement Payment for Named Plaintiffs.**

27 Named Plaintiffs may petition the Court to approve an Enhancement Payment in an amount  
28 up to \$10,000 each for their efforts on behalf of the Class in this Action, including assisting in the

investigation of the claims, assisting in all aspects of the discovery process, assisting and participating in the mediation of this matter, and consulting with Class Counsel in other aspects of the case. Defendant shall not oppose any request by Named Plaintiffs for Enhancement Payments in such amount. Any difference between the Enhancement Payments sought by Named Plaintiffs and the Enhancement Payments actually awarded by the Court (assuming preliminary and final approval of the Settlement) shall revert to the Net Settlement Amount and be distributed to the Class Members.

Any Enhancement Payments approved by the Court shall be paid to Named Plaintiffs from the Net Fund Value and shall be in addition to any distribution to which he or she may otherwise be entitled as a Class Member. Such Enhancement Payment shall not be considered wages, and Defendant shall issue Named Plaintiffs a Form 1099 reflecting such payment. Named Plaintiffs shall be responsible for the payment of any and all taxes with respect to their Enhancement Payment, respectively, and shall hold Defendant harmless from any and all liability with regard thereto.

### **3. Payment to Class Members.**

Each Class Member shall be eligible to receive payment of an Individual Settlement Amount, which is a proportionate share of the Settlement based on the number of verified weeks worked by the Class Members. The Individual Settlement Amount paid to each Class Member will be a share of the Net Settlement Amount, less the PAGA Award (i.e., line item (e) of Section VII.1.). Accordingly, the Individual Settlement Amount of each Class Member shall be calculated as follows:

$$\begin{aligned} & ((NSA - PAGA \text{ award}) \div \text{total aggregate number of verified workweeks of all} \\ & \text{Class Members}) \times \text{number of verified workweeks of Individual Class Member} = \\ & \text{Individual Settlement Amount} \end{aligned}$$

In addition, the Aggrieved Employees shall be eligible to receive payment of a proportionate share of the PAGA Award as described in Section VII.1.e, as follows:

$$\begin{aligned} & (25\% \text{ of PAGA Award} \div \text{total aggregate number of verified workweeks of all} \\ & \text{Aggrieved Employees}) \times \text{number of verified workweeks of Individual Aggrieved} \end{aligned}$$

*Employee = Individual PAGA Allocation*

For purposes of these payments, a week of employment shall be defined as any regular workweek in which the Class Member/Aggrieved Employee received wages for three or more calendar days (whether wages were paid for actually working those days or while on paid, approved vacation or sick leave). Each Class Member/Aggrieved Employee, including Named Plaintiffs, shall be responsible for the payment of any and all taxes with respect to his or her Individual Settlement Amount (other than the Required Tax Withholding, which shall be paid by the Settlement Administrator as set forth in this Stipulation) and shall hold Defendant harmless from any and all liability with regard thereto.

Those Settlement Class Members who have previously received settlement funds through prior individual settlement agreements will not be required to return any portion of previously paid settlement funds. Any previously paid settlement amount will be counted against these Settlement Class Members' Individual Settlement Amount, except that each Settlement Class Member who previously received settlement funds through a prior agreement will receive at least a minimum Individual Settlement Amount equivalent to credit for one verified week of work, as described in this Section IV.3.

**4. Tax Treatment and Payment.**

For the purpose of calculating Required Tax Withholding for the Individual Settlement Amounts for Class Members (including any payments to the Named Plaintiffs but exclusive of any Enhancement Awards and without acknowledging or admitting to any liability as it would relate to the claims raised in this matter), the parties agree that twenty percent (20%) of each Individual Settlement Amount shall constitute wages in the form of alleged unpaid wages (and each Class Member will be issued an IRS Form W-2 for such payment to him or her), eighty percent (80%) of each Individual Settlement Amount shall constitute interest and penalties (and each Class Member will be issued an IRS Form 1099 MISC for interest and penalties and no withholdings will be made).

The Parties understand and agree that the Named Plaintiffs and the Class Members who receive any payment pursuant to this Stipulation shall be solely responsible for any and all

individual tax obligations associated with this Settlement (other than the Required Tax Withholding, which shall be paid by the Settlement Administrator as set forth in this Stipulation).

**5. No Effect on Employee Benefit Plans.**

Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Stipulation. Defendant does not consider the Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant.

**6. Class Attorneys' Fees and Expenses.**

On the same day the Motion for Final Approval of the Class Action Settlement is due, Class Counsel will submit an application for an award of Class Attorneys' Fees and Expenses with the fee portion not to exceed one-third of the Net Fund Value and the award of actual costs and expenses not to exceed \$12,000. Defendant agrees not to object to any such fee, cost or expense application in those amounts. As a condition of this Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this Section.

Any difference between the Class Attorneys' Fees and Expenses sought by Class Counsel and the Class Attorneys' Fees and Expenses actually awarded by the Court (assuming preliminary and final approval of the Agreement) shall revert to the Net Settlement Amount and be distributed

1 to the Class Members. The Class Attorneys' Fees and Expenses approved by the Court shall  
2 encompass: (a) all work performed and costs and expenses incurred by, or at the direction of, any  
3 attorney purporting to represent the Class through the date of this Stipulation; (b) all work  
4 performed and costs incurred in connection with preliminary approval by the Court of the Class  
5 Settlement; and (c) all work performed and costs and expenses, if any, incurred in connection with  
6 administering the Settlement through entry of Judgment in the Action.

7 **V. CLAIMS ADMINISTRATION COSTS AND EXPENSES.**

8 **1. The Settlement Administrator's Costs and Expenses.**

9 All costs and expenses due the Settlement Administrator in connection with its  
10 administration of the Settlement including, but not limited to, providing the Class Notice, locating  
11 Class Members, processing requests for exclusion submitted by Class Members, and calculating,  
12 administering and distributing Individual Settlement Amounts to the Class Members, shall be paid  
13 from the Net Fund Value.

14 **VI. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS.**

15 **1. The Settlement Administrator.**

16 The Settlement Administrator will be responsible for mailing the Class Notice to Class  
17 Members, setting up a toll-free number for the purpose of handling inquiries from Class Members  
18 concerning the Class Notice and determination of Individual Settlement Amounts, preparing,  
19 administering and distributing Individual Settlement Amounts to Class Members, and issuing a  
20 final report and performing such other duties as the Parties may direct. On a weekly basis, the  
21 Settlement Administrator will provide reports to Class Counsel and Defense Counsel updating  
22 them as to the number of validated and timely received requests for exclusion from the Settlement.  
23 The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-  
24 stamped copies of the original written requests for exclusion no later than seven days after their  
25 receipt. The Settlement Administrator will provide Class Counsel with proof of mailing of the  
26 Class Notice Form, which Class Counsel will file with the Court no later than seven (7) days prior  
27 to the Court's Final Approval and Fairness Hearing. No later than seven (7) days prior to the Final  
28 Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class

1 Counsel and Defense Counsel a report with information regarding (a) the final Individual  
2 Settlement Amounts of each Class Member and (b) the final number of Opt-Outs.

3 Administrative Expenses are not anticipated to exceed \$4,000. In the event that  
4 Administrative Expenses exceed \$4,000 any and all additional amounts shall be deducted from the  
5 Net Fund Value and the Net Settlement Amount will be recalculated to reflect such additional  
6 Administrative Expenses. To the extent that Administrative Expenses exceed \$4,000, Class  
7 Counsel agrees to provide an explanation to the Court, supported by declarations from Class  
8 Counsel, as to the source of the additional Administrative Expenses, the reason such additional  
9 expenses were not anticipated prior to the execution of this Agreement, and an explanation as to  
10 whether such additional expenses should be deducted from the Gross Fund Value or allocated in  
11 some other manner, subject to Court approval. In the event that Administrative Expenses are less  
12 than \$4,000, the difference shall be added to the Net Settlement Amount for distribution to Class  
13 Members.

14 **2. Notice to Class Members.**

15 Notice shall be provided to Class Members in the following manner: Within thirty (30)  
16 calendar days after entry by the Court of its Order of Preliminary Approval, Defendant shall  
17 provide the Settlement Administrator with an updated list of Class Members containing names,  
18 social security numbers, last-known telephone numbers, last-known physical addresses and  
19 workweeks for each Class Member ("the Database"). Within fifteen (15) calendar days after  
20 receipt of the Database, the Settlement Administrator shall populate the Notice Forms for each  
21 Class Member and shall send each Class Member the Class Notice via first-class, United States  
22 mail.

23 The Class Notice shall contain an easily understood statement alerting the Class Members  
24 that, unless they elect to opt-out of the Settlement, the Class Member is releasing and waiving all  
25 Released Claims against Defendant and will be issued a check reflecting his or her Individual  
26 Settlement Amount following Final Approval of the Settlement.

27 **3. Opt-Out Procedure.**

1 In order for a Class Member to Opt-Out of the Settlement, a Request for Exclusion must  
2 be received by the Settlement Administrator within 45 days of being mailed by the Settlement  
3 Administrator ("Opt-Out Deadline"). Any Request for Exclusion received after the 45th day,  
4 respectively, will be invalid. In the event that, prior to the Opt-Out Deadline, any Class Notice  
5 mailed to a Class Member is returned as having been undelivered by the U.S. Postal Service, the  
6 Settlement Administrator shall perform a skip trace search and seek an address correction for such  
7 Class Member(s), and a second Class Notice will be sent to any new or different address obtained.  
8 Such Class Member(s) shall have an additional 14 days in which to return the Request for  
9 Exclusion.

10 At least 14 days prior to the Final Approval and Fairness Hearing, the Settlement  
11 Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due  
12 Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its attempts to  
13 locate Class Members. The declaration shall specify the number of Class Members to whom Class  
14 Notices were sent and the number of Class Members to whom Class Notices were not delivered.  
15 Class Counsel shall file this declaration with the Court.

16 If the Settlement Administrator determines that a Request For Exclusion returned by a  
17 Class Member before the Opt-Out Deadline is deficient, then the Settlement Administrator shall  
18 mail a deficiency letter to that Class Member identifying the deficiencies no later than seven (7)  
19 days after receipt of the deficient Request For Exclusion. The Class Member shall then have seven  
20 (7) calendar days from the date of the Settlement Administrator's deficiency letter to correct the  
21 deficiencies, or his or her Request for Exclusion will be deemed invalid. Aggrieved Employees shall  
22 not be permitted to opt out of the PAGA Award settlement.

#### 23 **4. Objections.**

24 The Class Notice shall inform the Class Members of their right to object to the Settlement.  
25 Any Class Member who wishes to object to the Settlement may file a written objection with the  
26 Court and serve copies of the written objection to Class Counsel and Defense Counsel for receipt  
27 no later than 45 days from the date that Class Notice is mailed ("Objection Deadline"). In the event  
28 that, prior to the Objection Deadline, any Class Notice mailed to a Class Member is returned as

1 having been undelivered by the U.S. Postal Service, the Settlement Administrator shall perform a  
2 skip trace search and seek an address correction for such Class Member(s), and a second Class  
3 Notice will be sent to any new or different address obtained. Such Class Member(s) shall have an  
4 additional 14 days to file a written objection with the Court and serve copies of the written  
5 objection to Class Counsel and Defense Counsel.

6 The objection should include the case name and number and must set forth, in clear and  
7 concise terms, a statement of the reasons why the objector believes that the Court should find that  
8 the proposed Settlement is not in the best interest of the Class and the reasons why the Settlement  
9 should not be approved, including the legal and factual arguments supporting the objection. Any  
10 objector may also appear at the Final Approval Hearing, in person or through an attorney retained  
11 at his or her own expense, but such appearance shall not be a prerequisite to the Court's  
12 consideration of any timely-filed objection. Likewise, the submission of a written objection shall  
13 not be a prerequisite to a Class Member appearing and being heard at the Final Approval Hearing.  
14 Class Members may withdraw their objections at any time. Class Members who submit an objection shall  
15 remain subject to be bound by the release provisions in this Agreement or the applicable release provisions  
16 in any order granting Final Approval. At no time will any of the Parties or their counsel seek to solicit or  
17 otherwise encourage Class Members to submit written objections to the Settlement or appeal from the Order  
18 and Judgment. Class Counsel will not represent any Class Members with respect to any such objections to  
19 this Settlement.

20 **5. Disputed Information on Notice Packets.**

21 Defendant's records will be presumed correct, but Class Members and/or Aggrieved Employees  
22 will have an opportunity to dispute the information provided in their Notice Packets within 45 days of  
23 the Class Notice being mailed by the Settlement Administrator ("Dispute Deadline"). In the event  
24 that, prior to the Dispute Deadline, any Class Notice mailed to a Class Member is returned as  
25 having been undelivered by the U.S. Postal Service, the Settlement Administrator shall perform a  
26 skip trace search and seek an address correction for such Class Member(s), and a second Class  
27 Notice will be sent to any new or different address obtained. Such Class Member(s) shall have an  
28 additional 14 days to dispute the information provided in their Notice Packet(s) ("Extended

Dispute Deadline”). To the extent Class Members and/or Aggrieved Employees dispute their current number of verified weeks for which they are credited, Class Members and/or Aggrieved Employees may produce evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator shall inform the Parties’ attorneys of this evidence within ten (10) days to allow the Parties to meet and confer in an attempt to resolve this issue. If Defendant disputes the evidence submitted by the Class Member and/or Aggrieved Employee, Defendant will provide evidence supporting its calculation of the Class Member’s and/or Aggrieved Employees’ workweeks. If the Parties’ counsel are not able to reach agreement, the Settlement Administrator will evaluate the evidence submitted by the Class Member and Defendant and will make the final decision as to the merits of the dispute. All disputes will be decided within ten (10) business days of the Dispute Deadline, or for Class Member(s) who were mailed a second Class Notice upon the Settlement Administrator performing a skip trace and locating an address correction due to the first Class Notice having returned to the Settlement Administrator by the U.S. Postal Service as undeliverable, within ten (10) business days of extended Dispute Deadline.

## **VII. SETTLEMENT FUNDING, DISTRIBUTION AND REVERSION.**

### **1. Allocation of the Gross Fund Value.**

The claims of all Class Members are settled for the Gross Fund Value, which will be allocated as follows:

- a. The Administrative Expenses (not anticipated to exceed \$4,000, see Article VI, Section 1);
- b. Class Attorneys’ Fees and Expenses (fees not to exceed one-third (1/3) of the NFV and expenses not to exceed \$12,000);
- c. Enhancement Payment (not to exceed \$20,000 in total to Named Plaintiffs);
- d. Required Tax Withholding, if any;
- e. PAGA Award of \$20,000, seventy-five percent (75%) of which (equaling \$15,000) shall be paid to the LWDA pursuant to California Labor Code Section 2699(i);
- f. Thirty Thousand Dollars (\$30,000) which Defendant has already paid to the certain Settlement Class Members in settlement of individual claims; and

g. The aggregate of all Individual Settlement Amounts as calculated based on the Net Settlement Amount.

For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values of the categories listed in this Article VII, Section 1(a)–(c) & (e)–(g), prior to sending Notice to Class Members. Prior to final distribution, the Settlement Administrator shall calculate the final Net Settlement Amount based on the actual values of the categories listed in this Article VII, Section 1(a)–(c) & (e)–(g).

## **2. Funding of the Settlement Amount**

Within ten (10) business days after Effective Date, Defendant shall deposit with the Settlement Administrator the amount of Two Hundred and Sixty Thousand Dollars and Zero Cents (\$260,000.00) into a Qualified Settlement Account to be established by the Settlement Administrator.

a. Within fourteen (14) days after Defendant carries out the deposit described herein, the Settlement Administrator shall wire to Class Counsel their Attorneys' Fees and Expenses payments, respectively, and will issue to the Named Plaintiffs their Enhancement Awards.

## **3. Time for Payment of Required Tax Withholding and Individual Settlement Amounts.**

To the extent that any Required Tax Withholding is required for any payments made pursuant to this Stipulation, the Settlement Administrator shall make every effort to pay the Required Tax Withholding associated with each Class Member's Individual Settlement Amount and mail the Individual Settlement Amount to each Class Member, by first-class U.S. mail, to the last-known address no later than fourteen (14) days after Defendant deposits the amount set forth in Article VII, Section 2 with the Settlement Administrator. If the Settlement Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which any Required Tax Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no circumstances shall the

1 Settlement Administrator distribute checks to Class Members until all timely Claims have been  
2 considered, calculated, and accounted for, and all of the remaining monetary obligations have been  
3 calculated and accounted for.

4 In the event that any Class Member is deceased, payment shall be made payable to the  
5 estate of that Class Member and delivered to the executor or administrator of that estate, unless  
6 the Settlement Administrator has received an affidavit or declaration pursuant to California  
7 Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).  
8 Within fourteen (14) days of mailing the Individual Settlement Amounts to Class Members, the  
9 Settlement Administrator shall file with the Court, and shall provide to Class Counsel and Defense  
10 Counsel, a declaration of payment.

11 **4. Non-Cashed Settlement Checks.**

12 All checks mailed to any Class Member pursuant to the Settlement must be cashed within  
13 180 days after the date it is mailed by the Settlement Administrator, and the Settlement  
14 Administrator shall include a cover letter with each check notifying the Class Members of the  
15 deadline. If a check is returned to the Settlement Administrator, the Settlement Administrator will  
16 make all reasonable efforts to contact the Class Member, including by telephone and by performing  
17 a skip trace search for the Class Member's updated contact information, and to re-mail it to the  
18 Class Member at the Class Member's correct address. In no event shall a Class Member's failure  
19 to cash a settlement check be considered or constitute a waiver or revocation by the Class Member  
20 of the release provisions contained in the Settlement.

21 Unclaimed funds due to Opt-Out(s) shall be added to the portion of the Net Settlement Amount  
22 allocated to Class Members. Unclaimed Funds returned as undeliverable and California Individual  
23 Settlement Payment checks remaining un-cashed for more than 180 days after issuance will be disbursed  
24 subject to the provisions of California Code of Civil Procedure § 384(b)(3), with that portion of the  
25 unclaimed funds allocated under Section 384(b)(3)(C) allocated to the Justice Gap Fund established by the  
26 California State Bar.

27 **VIII. NULLIFICATION OF THIS STIPULATION.**

28 **1. Non-Approval of the Stipulation.**

1 If (a) the Court should for any reason fail to approve this Stipulation in the form agreed to  
2 by the Parties, or (b) the Court should for any reason fail to enter a Judgment pursuant to this  
3 Stipulation in the Action, or (c) the approval of the Settlement and Judgment is reversed, modified  
4 or declared or rendered void, then the Settlement and conditional class certification shall be  
5 considered null and void, and neither the Settlement, conditional class certification, nor any of the  
6 related negotiations or proceedings, shall be of any force or effect, and all parties to the Settlement  
7 shall stand in the same position, without prejudice, as if the Settlement had been neither entered  
8 into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith  
9 to cure any perceived defects in the Stipulation to facilitate approval.

10 **2. Invalidation.**

11 Defendant shall have the right to rescind the Settlement Agreement in the event that four  
12 (4) or more Settlement Class Members opt out of the Settlement by submitting timely Requests  
13 for Exclusion. In such event, Defendant may elect, in its sole discretion, to terminate the Settlement  
14 Agreement by providing written notice to Class Counsel of the same within fourteen (14) calendar  
15 days after the expiration of the right of the Class Members to opt out of the Settlement.

16 **IX. MOTION FOR COURT APPROVAL.**

17 **1. Preliminary Approval.**

18 Class Counsel will submit this Stipulation to the Court along with a Motion for Preliminary  
19 Approval of the Settlement and Conditional Certification. The Parties shall cooperate to present  
20 the Settlement to the Court for preliminary approval in a timely fashion.

21 **2. Final Approval.**

22 The Final Approval and Fairness Hearing shall be held before the Court at a date and time  
23 to be determined by the Court.

24 **3. Entry of Judgment.**

25 At the Final Approval and Fairness Hearing, Named Plaintiffs and Defendant shall jointly  
26 request the Court for the entry of the final order certifying the Settlement Class for settlement  
27 purposes only and approving the Settlement as being fair, reasonable and adequate to the Class  
28 Members and for the entry of a final Judgment consistent with the terms of the Settlement. Class

Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court's determination. The Court shall retain jurisdiction over the interpretation, implementation, and enforcement of the Settlement following entry of a final Judgment, including without limitation with respect to the Settlement Administrator's submission of a declaration of payment.

**X. RELEASES AND WAIVERS.**

**1. Release of Claims by Settlement Class.**

Upon Defendant fully funding the Settlement Amount pursuant to Section VII(2) , each member of the Class who has not timely indicated his or her desire to be excluded from the Settlement releases the Released Parties, and each of them, of and from any and all Released Claims through December 26, 2020.

Class Members are providing the Released Parties with a full and complete release with respect to the Released Claims as set forth in this Stipulation. It is agreed that this Stipulation is intended to fully and finally resolve the Released Claims and the action is to be dismissed, with prejudice, as to each and every Class Member, except as to those within the Class who timely submit Requests for Exclusion.

**XI. DUTIES OF THE PARTIES.**

**1. Mutual Full Cooperation.**

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by court order or otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of this Stipulation.

**2. Duty to Support and Defend the Settlement.**

1 The Parties agree to abide by all of the terms of the Settlement in good faith and to support  
2 the Settlement fully and to use their best efforts to defend this Class Settlement from any legal  
3 challenge, whether by appeal or collateral attack.

4 **3. Duties Prior to Court Approval.**

5 Class Counsel shall promptly submit this Stipulation to the Court for preliminary approval  
6 and determination by the Court as to its fairness, adequacy, and reasonableness. Class Counsel will  
7 undertake any and all disclosures required to be made to the LWDA in conformity with PAGA.

8 **XII. MISCELLANEOUS PROVISIONS.**

9 **1. Non-Admission.**

10 Nothing in this Stipulation shall be construed as or deemed to be an admission by any Party  
11 of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person,  
12 and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward  
13 each other or any other person. Each of the Parties has entered into this Stipulation with the  
14 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and  
15 contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or  
16 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any  
17 admission by Named Plaintiffs regarding the merits of the Claims in this Action, including but not  
18 limited to claims for unpaid wages under California law. Nothing herein shall constitute an  
19 admission by Defendant that the Action was properly brought as a class or representative action  
20 other than for settlement purposes. To the contrary, Defendant has denied and continues to deny  
21 each and every material factual allegation and all Claims. To this end, the Settlement of the Action,  
22 the negotiation and execution of this Stipulation, and all acts performed or documents executed  
23 pursuant to or in furtherance of this Stipulation or the Settlement are not, shall not be deemed to  
24 be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of  
25 Defendant or of the truth of any of the factual allegations in the Action; and are not, shall not be  
26 deemed to be, and may not be used as, an admission or evidence of any fault or omission on the  
27 part of Defendant in any civil, criminal, or administrative proceeding in any court, administrative  
28 agency, or other tribunal.

1           **2.       Non-Retaliation.**

2           Defendant understands and acknowledges that it has a legal obligation not to retaliate  
3 against any member of the Class who elects to participate in the Settlement or elects to opt out of  
4 the Settlement. Defendant will refer any inquiries made to its Human Resources Department  
5 regarding this Settlement to the Settlement Administrator or Class Counsel and no management-  
6 level employee working at Defendant will encourage Class Members, directly or indirectly, to opt  
7 out or object to the Settlement, or to otherwise refrain from cashing, depositing, or otherwise  
8 negotiating the checks issued for Class Members' individual settlement share.

9           **3.       Construction.**

10          The Parties hereto agree that the terms and conditions of this Stipulation are the result of  
11 lengthy, intensive, arms-length negotiations between the Parties and that this Stipulation is not to  
12 be construed in favor of or against any party by reason of the extent to which any party or its  
13 counsel participated in the drafting of this Stipulation.

14          **4.       Governing Law.**

15          This Stipulation is intended to and shall be governed by the laws of the State of California,  
16 without regard to conflict of law principles, in all respects, including execution, interpretation,  
17 performance, and enforcement.

18          **5.       Notices.**

19          Except for Class Member notices required to be made by the Settlement Administrator,  
20 any and all notices or other communications required or permitted under this Stipulation shall be  
21 in writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S.  
22 certified mail, postage prepaid mail, e-mail, facsimile, or overnight delivery mail addressed to the  
23 address of the party or their counsel appearing in this Stipulation.

24          **6.       Captions and Interpretations.**

25          Section titles or captions contained herein are inserted as a matter of convenience and for  
26 reference only and in no way define, limit, extend, or describe the scope of this Stipulation or any  
27 provision thereof.

28          **7.       Modification.**

1 This Stipulation may not be changed, altered, or modified, except in writing signed by the  
2 Parties and approved by the Court. This Stipulation may not be discharged except by performance  
3 in accordance with its terms or by a writing signed by the Parties and approved by the Court.

4 **8. Integration Clause.**

5 This Stipulation contains the entire agreement between the Parties relating to the  
6 Settlement of the Action and the transactions contemplated thereby, and all prior or  
7 contemporaneous agreements, understandings, representations, and statements, whether oral or  
8 written, and whether by a party or such party's legal counsel, are hereby superseded. No rights  
9 under this Stipulation may be waived except in writing.

10 **9. Successors and Assigns.**

11 This Stipulation shall be binding upon and inure to the benefit of the Settling Parties  
12 (excluding only persons who submitted timely Requests for Exclusion and did not rescind such  
13 Requests) and their respective present and former heirs, trustees, executors, administrators,  
14 representatives, officers, directors, shareholders, agents, employees, insurers, attorneys,  
15 accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent  
16 companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and  
17 assigns.

18 **10. Corporate Signatories.**

19 Any person executing this Stipulation or any such related document on behalf of a  
20 corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such  
21 person has been duly authorized by such corporation to execute this Stipulation or any such related  
22 document.

23 **11. Execution in Counterparts.**

24 This Stipulation shall become effective upon its execution by all of the undersigned. The  
25 Parties and their counsel may execute this Stipulation in counterparts, and execution of  
26 counterparts shall have the same force and effect as if all Parties had signed the same instrument.

27 **12. Attorneys' Fees, Costs and Expenses.**

Except as otherwise specifically provided for herein, each party shall bear his or its own attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Stipulation.

**13. Action to Enforce Agreement.**

In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs.

**IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Dated: Jun 10, 2022



Charles Goulet

Dated: \_\_\_\_\_

Stacey Bell

Dated: 6/13/2022

DocuSigned by:



Industrial Finishes & Systems, Inc.

By: Glenn Duckworth

Title: President

1 Except as otherwise specifically provided for herein, each party shall bear his or its own  
2 attorneys' fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the  
3 Action and shall not seek reimbursement thereof from any other party to this Stipulation.

4 **13. Action to Enforce Agreement.**

5 In any suit or court action to enforce the terms of this Agreement, the prevailing party shall  
6 be entitled to recover attorneys' fees and costs.

7 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation  
8 on the date below their signatures or the signature of their representatives. The date of the  
9 Stipulation shall be the date of the latest signature.

10  
11 Dated: \_\_\_\_\_

Charles Goulet

12  
13  
14 Dated: Jun 11, 2022 \_\_\_\_\_



Stacey Bell

15  
16  
17  
18 Dated: \_\_\_\_\_

Industrial Finishes & Systems, Inc.

19  
20 By: \_\_\_\_\_

21 Title: \_\_\_\_\_  
22  
23  
24  
25  
26  
27  
28

1 **APPROVED AS TO FORM AND CONTENT:**

2  
3 LAW OFFICES OF JAKE D. FINKEL

4 Dated: June 13, 2022

*Joshua Park*

Jake D. Finkel  
Joshua Park  
Attorneys for Plaintiffs  
Charles Goulet  
Stacey Bell

8  
9 SUTTON HAGUE LAW CORPORATION,  
10 P.C.

11  
12 Dated: June 13, 2022

S Brett Sutton

Digitally signed by S Brett Sutton  
DN: cn=S Brett Sutton, o, ou,  
email=darla@suttonhague.com, c=US  
Date: 2022.06.13 15:50:08 -07'00'

S. Brett Sutton  
Jared Hague  
Brady Briggs  
Attorneys for Defendant  
Industrial Finishes & Systems, Inc.

# **EXHIBIT A**

**NOTICE OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION  
SETTLEMENT  
("NOTICE")**

*Charles Goulet and Stacey Bell v. Industrial Finishes & Systems, Inc.*  
Case No.  
20STCV09977

312 North Spring Street  
Los Angeles, CA 90012

**If you were a non-exempt employee of INDUSTRIAL FINISHES & SYSTEMS, INC., between March 12, 2016 and December 26, 2020, inclusive, a Class Action settlement and PAGA Representative Action described in this letter may affect your rights. Please read this Notice carefully.**

*A court authorized this notice. This is not a solicitation from a lawyer.*

**WHY ARE YOU RECEIVING THIS NOTICE?**

- Two former Industrial Finishes & Systems, Inc. employees filed a lawsuit against Industrial Finishes & Systems, Inc.
- Industrial Finishes & Systems, Inc. denies any liability.
- The Parties to the lawsuit have reached a proposed settlement, and the Court has given its preliminary approval to the terms of the settlement. The Court has not decided that Industrial Finishes & Systems, Inc. did anything wrong.
- **Based on Industrial Finishes & Systems, Inc.'s records, you are one of the current or former Industrial Finishes & Systems, Inc. employees who is eligible to participate in the settlement. This proposed settlement could affect your legal rights, and you have a choice to make now:**

| Your Legal Rights and Options in this Lawsuit |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Do Nothing</b>                             | <p>If you wish to receive your share of the settlement proceeds, you do not need to take any action. A settlement check will be sent to you.</p> <p>From March 20, 2016 through December 26, 2020, you worked for Industrial Finishes &amp; Systems, Inc. as a non-exempt employee for [ ] workweeks.</p> <p>&lt;If Applicable&gt; (As Industrial Finishes &amp; Systems, Inc. have identified you as previously having settled through a prior</p> |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | <p>individual settlement agreement, the previously paid settlement amount has been counted against your estimated share of the settlement proceeds from this lawsuit. You will however not be required to return any portion of previously paid settlement funds).</p> <p><b>Your estimated share of the settlement proceeds is \$</b> [redacted]</p> <p><b>&lt;If Applicable&gt;</b></p> <p>From March 6, 2019 through December 26, 2020, you worked for Industrial Finishes &amp; Systems, Inc. as a non-exempt employee for [redacted] workweeks.</p> <p><b>Your estimated share of the PAGA Payment is \$</b> [redacted]</p> <p>You will release your right to sue Industrial Finishes &amp; Systems, Inc. separately about the same legal claims in this lawsuit.</p> |
| <b>Ask to be Excluded</b> | <p>If you ask to be excluded, you will not receive a settlement check. You will keep any rights to file your own, separate lawsuit against Industrial Finishes &amp; Systems, Inc. about the same legal claims in this lawsuit. You must ask to be excluded by [insert date].</p> <p>However, if you are a PAGA Aggrieved Employee, you will still receive a PAGA Payment and release any PAGA claim you might have even though you submitted a valid request for exclusion.</p>                                                                                                                                                                                                                                                                                           |
| <b>Object</b>             | <p>File a written objection with the Court and serve copies of the written objection on Class Counsel (Law Offices of Jake D. Finkel, APC, 3470 Wilshire Blvd., Suite 830, Los Angeles, CA 90010) and Defense Counsel (Sutton Hague Law Corporation, P.C., 5200 N. Palm Ave., Suite 203, Fresno, CA 93704) by [insert date]. about why you think the settlement should not be approved or appear at the Final Approval Hearing and ask to be heard as to why you think the settlement should not be approved. If you choose to object, you cannot also ask to be excluded. If</p>                                                                                                                                                                                          |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | you choose to be excluded, you cannot also object to the settlement.                                                                                                                                                                                                                                                                                                  |
| <b>Dispute Estimated Class Action and/or PAGA Workweeks</b> | If you wish to dispute the accuracy of the estimated workweeks credited to you during the Class Period and/or during the PAGA Period, you must fill out the Employment Information Dispute Form accompanying this Notice by <b>[insert date]</b> .to challenge the calculation of the workweeks credited to you during the Class Period and/or during the PAGA Period |

***INDUSTRIAL FINISHES & SYSTEMS, INC. WILL NOT RETALIATE AGAINST ANY CLASS MEMBER FOR EXERCISING ANY OF THEIR LEGAL RIGHTS AND/OR OPTIONS UNDER THE SETTLEMENT***

**Your options and your deadlines to act are explained in this notice.**

## **BASIC INFORMATION**

### **1. WHY DID I GET THIS NOTICE?**

You received this notice because Industrial Finishes & Systems, Inc.’s records show that you performed worked for Industrial Finishes & Systems, Inc., as a non-exempt employee in California, at some time between March 12, 2016, and December 26, 2020 (“Class Period”), inclusive. In other words, you are part of a “class” of employees on whose behalf Charles Goulet and Stacey Bell filed a class action lawsuit. In addition, if you worked for Industrial Finishes & Systems, Inc as non-exempt employee at any time from March 6, 2019 through December 26, 2020 (“PAGA Period”), you are a PAGA Aggrieved Employee on whose behalf Plaintiff Charles Goulet has filed a PAGA representative action. The Parties to the lawsuit have reached a proposed settlement of the case, but the settlement must be approved by the Court. Judge Maren E. Nelson of the Los Angeles County Superior Court is overseeing the proposed settlement of this class action and has given *preliminary* approval of the settlement so that you could receive this notice and learn about how it might affect your rights. The lawsuit is known as *Charles Goulet, et al. v. Industrial Finishes & Systems, Inc.*, Case No. 20STCV09977. You can access the documents on the Claims Administrator’s website at [www. \[administrator case website\]](#)

### **2. WHAT IS THIS LAWSUIT ABOUT?**

This lawsuit is about whether Defendant engaged in the following: (1) Failure to Pay Minimum Wages and Overtime Wages; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Reimburse for Necessary Expenditures; (5) Failure to Provide Accurate Wage Statements; (6) Failure to Pay Wages Upon Ending Employment; (7) Unfair Competition (*Business and Professions Code* § 17200, *et seq.*); and (8) Violation of the California Labor Code Private Attorney’s General Act (Labor Code § 2698-2699) (the “Action”). If you want to learn more about the claims in this case, you may view a copy of the Complaint at [www. \[administrator case website\]](#)

### **3. HAS THE COURT DECIDED WHO IS RIGHT?**

As part of the settlement, Industrial Finishes & Systems, Inc. denies that it violated any part of California law in the way that it provided the Class Members and PAGA Aggrieved Employees meal and rest periods, in the way that it paid the Class Members and PAGA Aggrieved Employees, in the way that it reimbursed employees for expenses, and in the way that it reported the earnings and other required information on wage statements or “paystubs” that it provided to Class Members and PAGA Aggrieved Employees. Industrial Finishes & Systems, Inc. has not admitted, and strongly denies, any liability or wrongdoing whatsoever. The Court has not decided, and will not decide, whether Plaintiffs or Industrial Finishes & Systems, Inc. is correct. By giving preliminary approval to the settlement, the Court is not suggesting that the Plaintiffs will win or lose this case. The Court’s role in evaluating the settlement is to decide whether the terms of the settlement appear to be fair to the Class based on the strengths and weaknesses of Plaintiffs’ claims, whether a settlement on behalf of all of the Class Members is appropriate based on the types of claims in Plaintiffs’ Complaint, and whether Plaintiffs and their lawyers will fairly and adequately represent the Class Members.

#### **4. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?**

In a class action lawsuit, a “Class Representative” (in this case Charles Goulet and Stacey Bell) sues on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” The Class Representatives and all Class Members like them are called the Plaintiffs. The companies they sued are called the Defendants. In a class action, one court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

Likewise, in a PAGA representative action, a PAGA representative (in this case Charles Goulet) sues on behalf of fellow employees. These fellow employees are called “PAGA Aggrieved Employees”. In a PAGA representative action, the Plaintiff steps into the shoes of the State of California to pursue civil penalties. As discussed above, it is not possible for a PAGA Aggrieved Employee to exclude himself or herself from a PAGA settlement.

#### **5. WHAT IS THE TIME PERIOD TO WHICH THIS CLASS ACTION APPLIES?**

This Class Action applies to all non-exempt employees of Industrial Finishes & Systems, Inc., who performed work for Industrial Finishes & Systems, Inc., in California, at any time between March 12, 2016, and December 26, 2020, inclusive. This time period is known as the “Class Period.” As described below, the Class Period is used to determine the amount of each Class Member’s share of the Settlement.

The PAGA claim applies to the subset of non-exempt employees of Industrial Finishes & Systems, Inc. employed at some time since March 6, 2019 through December 26, 2020. This time period is known as the “PAGA Period.” As described below, the PAGA Period is used to determine the amount of each PAGA Aggrieved Employees’ share of the Settlement allocated to PAGA penalties.

#### **6. IS THERE ANY MONEY AVAILABLE NOW?**

No money is available now because the Court has only given *preliminary* approval to the settlement. The Court has not yet decided to give *final* approval to the settlement. The Court will not decide whether to give final approval to the settlement until the Class Members have received notice of the lawsuit and had the opportunity to decide whether to participate in the settlement. If the Court grants final approval of the settlement, settlement funds will be paid to the Class Members.

## THE TERMS OF THE SETTLEMENT

### 7. HOW MUCH IS THE TOTAL SETTLEMENT?

Industrial Finishes & Systems, Inc. has agreed to pay a total of Two Hundred Ninety Thousand Dollars 00/100 cents (\$290,000.00) less a full credit of Thirty Thousand Dollars and Zero Cents (\$30,000.00) for money previously paid to some Class Members, in settlement of this Action. This is referred to as the “Gross Settlement Value.” Under the terms of the settlement, Industrial Finishes & Systems, Inc. has agreed to pay through an agreed upon payment schedule, and no part of the Gross Settlement Value will be returned to Industrial Finishes & Systems, Inc.

### 8. HOW MUCH OF THE SETTLEMENT WILL GO TO THE CLASS MEMBERS?

Certain deductions will be made from the Gross Settlement Value. The amount remaining after these deductions is referred to as the “Net Settlement Value.” The Net Settlement Value is the amount that will be divided amongst the Class Members.

Each of the deductions from the Gross Settlement Value listed below will be requested and the Court will decide how much to award at the time of final approval. The Court has preliminarily approved each of the following deductions from the Gross Settlement Value:

- A full credit of Thirty Thousand Dollars and Zero Cents (\$30,000.00) for money previously paid to some Class Members in prior individual settlement agreements;
- Attorneys’ fees **not to exceed** Eighty-Six Thousand Six Hundred Sixty-Six and 66/100 dollars (\$86,666.66), which is 1/3<sup>rd</sup> of the Gross Settlement Value minus the aforementioned full credit of Thirty Thousand Dollars and Zero Cents (\$30,000.00) for money previously paid to some Class Members in prior individual settlement agreements, and litigation costs of up to Twelve Thousand dollars (\$12,000.00). **However, the Court will not approve the attorneys’ fees amount until the final approval hearing;**
- Payment to the Claims Administrator **not expected to exceed** Four Thousand Dollars (\$4,000.00) for the costs of sending notice out to the Class Members, responding to Class Member inquiries and distributing settlement funds to the Class Members if the Court gives its final approval to the settlement;
- Payment to each Class Representative in an amount **not to exceed** Ten Thousand Dollars (\$10,000.00) each, as an incentive for the filing of this lawsuit, for the risks incurred by Plaintiffs in bringing the lawsuit, and for Plaintiffs’ participation in this lawsuit in assisting Class Counsel. **The Court will not approve the amount of the incentive award until the final approval hearing.** Separate and apart of the Class Action Settlement, Plaintiffs have also settled their other individuals claims against Defendant not alleged against Defendant

in this Action (*i.e.*, *Charles Goulet and Stacey Bell v. Industrial Finishes & Systems, Inc.*, Case No.20STCV09977), e.g. (1) Plaintiff Charles Goulet for \$7,500.00 for which 45% or Three Thousand Three Hundred Seventy Five Dollars (\$3,375.00) has been allocated for Plaintiff's Counsel, Law Offices of Jake D. Finkel, APC as attorney's fees while 55% or Four Thousand One Hundred Twenty Five Dollars (\$4,125.00) has been allocated for Plaintiff Charles Goulet; (2) Plaintiff Stacey Bell for \$2,500.00 for which 45% or One Thousand One Hundred Twenty Five Dollars (\$1,125.00) has been allocated for Plaintiff's Counsel, Law Offices of Jake D. Finkel, APC as attorney's fees while 55% or One Thousand Three Hundred Seventy Five Dollars (\$1,375.00) has been allocated for Plaintiff Stacey Bell; and

- Twenty Thousand Dollars (\$20,000) of the Gross Settlement Value has been allocated to PAGA Penalties. Of that amount 75% or Fifteen Thousand Dollars (\$15,000.00) will be paid to the California Labor and Workforce Development ("LWDA") pursuant to California Labor Code section 2699(i), which represents the LWDA's share of the civil penalties obtained by Plaintiff under the terms of the Settlement for violations of the California Labor Code, and Five Thousand Dollars (\$5,000.00), which represents the PAGA Aggrieved Employees' share of the civil penalties obtained by Plaintiffs pursuant to California Labor Code section 2699(i). The PAGA Aggrieved Employees will receive a pro rata share of the \$5,000.00 in proportion to the number of pay periods they worked during the PAGA Period out of the total number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period.

Each of the above amounts is deducted from the Gross Settlement Value, and the remaining amount (Net Settlement Value) is to be distributed to all of the Class Members. Based on the above deductions to which the Parties agree under the Settlement, the Parties estimate the Net Settlement Value to be One Hundred Eleven Thousand Three Hundred Thirty-Three dollars and thirty-four cents (\$111,333.34).

Defendant will be funding this settlement within ten (10) business days of after the court gives a Final Approval of the Settlement. The Net Settlement Value will be disbursed to Class Members within fourteen (14) days of the Settlement being funded.

**9. I PREVIOUSLY RECEIVED A SETTLEMENT PAYMENT FROM AN INDIVIDUAL SETTLEMENT RELATED TO THIS CASE. HOW WILL THIS AFFECT MY SETTLEMENT PAYMENT IN THE CLASS ACTION?**

Your individual settlement payment under this Agreement will initially be calculated in the same way as every other Class Member, including those who did not previously receive any settlement payment. Then, the amount you previously received in settlement will be deducted from your individual settlement payment and you will receive the difference. In this way, you will not receive a "double recovery," which could unfairly reduce the individual settlement payments of other Class Members. However, you will receive additional value from this settlement. It is anticipated that you will be entitled to additional funds from this Settlement, above and beyond what you already were paid.

In the unlikely event that the initial calculation of your individual settlement payment is less than the amount of money you already received in settlement, you will not be required to return any

portion of your prior settlement payment. In fact, you will still receive a small additional amount—equivalent to a share of the settlement funds based on one workweek during the Class Period—in consideration of your participation in this Settlement.

#### **10. WHAT ARE THE TAX CONSEQUENCES IF I CHOOSE TO RECEIVE MY SHARE OF THE SETTLEMENT?**

Neither the lawyers for the Class Members nor Industrial Finishes & Systems, Inc. make any representations to you concerning the tax consequences of this Settlement or your participation in it, and you are encouraged to speak with your own personal tax advisor prior to acting in response to this Notice.

Please be advised that the tax withholdings will be reported to the appropriate taxing authority whether you cash the check or not. For the portion of each individual Class Member's settlement that is reported on an IRS Form 1099, taxes will not be withheld from this portion. However, taxes may need to be paid and each person should consult an accountant or other tax advisor in connection with funds received under the settlement.

For purposes of the Class Members' individual settlement payment, the "Net Settlement Allocation" shall be as follows: ("Net Settlement Allocation"):

- (1) 20% as wages (to be reported on a Form W-2);
- (2) 40% as penalties (to be reported on a Form 1099); and
- (3) 40% as interest (to be reported on a Form 1099).

Participating Class Members will receive an Individual Settlement Payment. Individual Settlement Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. After the expiration of the 180-day period, the amount of any uncashed settlement checks will be deemed unclaimed funds. Upon the Court's order, pursuant to California Code of Civil Procedure section 384, the total amount of these unclaimed funds, plus any interest the Court orders, shall be paid to the Justice Gap Fund established by the California State Bar.

#### **11. WHAT RIGHTS AM I RELEASING UNDER THE SETTLEMENT?**

If you choose to do nothing in response to this Notice, you will receive your share of the Settlement as described above. In exchange for your share of the Settlement, you will be releasing your right to bring your own lawsuit against Industrial Finishes & Systems, Inc. Specifically, upon Defendant fully funding the Gross Settlement Value minus the credit of Thirty Thousand Dollars and Zero Cents (\$30,000.00) for money previously paid to some Class Members in prior individual settlement agreements, Named Plaintiffs and all members of the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class and Resolution but with the exception for claims for civil penalties being released under the Private Attorneys' General Act ("PAGA") as part of the Settlement, waive, release, discharge, and promise never to assert in any forum any and all wage-related claims ("Released Claim(s)") against Defendant and

any of its predecessors, successors, assignees, current, former, and future parents, subsidiaries, affiliates, representatives, lawyers, insurers, agents, partners, assigns, subrogees, officers, shareholders and directors (hereinafter collectively the “Released Parties”). The Released Claims include violations of the California Labor Code, the California Business & Professions Code Section 17200 *et seq.*, and the applicable Industrial Welfare Commission Wage Orders, or any similar state or federal law, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, arising out of or based upon the following categories of allegations: (i) all claims for unpaid minimum wages; (ii) all claims for unpaid overtime; (iii) all claims for meal period violations; (iv) all claims for rest period violations; (v) all claims for wage statement violations; (vi) all claims for the failure to timely pay wages upon termination; (vii) all claims for the failure to reimburse for business expenses; and (viii) all claims of unfair competition. The Released Claims shall also include any and all claims for civil penalties that could have been assessed or collected by Plaintiffs or the LWDA under the PAGA, based on the factual allegations of Plaintiffs’ March 6, 2020 letter to the LWDA and/or Plaintiffs’ First Amended Complaint, filed in this Action on or around April 27, 2021, including but not limited to any claims for civil penalties for failure to pay minimum wages, failure to pay overtime, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to timely pay all wages, failure to issue accurate itemized wage statements, failure to maintain accurate payroll records for its non-exempt employees, failure to reimburse for business expenses, and failure to pay all wages due and owing upon termination.

This release is limited to the “Settlement Period” of March 12, 2016 through December 26, 2020.” **You may view the full text of the Release to which you will be subject if you receive your share of the Settlement at [www.\[administrator case website\]](http://www.administratorcase.com).**

## **12. WHAT RIGHTS WILL I RETAIN EVEN IF I RECEIVE MY SHARE OF THE SETTLEMENT?**

Even if you choose to receive your share of the Settlement, you are **not** releasing Industrial Finishes & Systems, Inc., or any other person or entity from claims for workers’ compensation, unemployment, or disability benefits.

## **YOUR RIGHTS AND OPTIONS**

You have to decide whether to stay in the Class or ask to be excluded from the Settlement.

## **13. WHAT HAPPENS IF I DO NOTHING AT ALL?**

You don’t have to do anything if you want to receive your share of the Settlement. You will automatically receive a check with your share of the Settlement so long as the Court gives its *final* approval to the Settlement and the Claims Administrator has your current address. Keep in mind that if you receive your share of the Settlement, you will not be able to sue for any wage and hour violations that may have occurred between March 12, 2016, and December 26, 2020. You will be legally bound by each of the Orders the Court issues and judgments the Court makes with respect to this Settlement.

If for any reason the Court decides not to give final approval to the Settlement, the Settlement will be void and you will not receive your share of the Settlement. You will also retain any rights you

would have had if Plaintiffs' lawsuit had never been filed. Under the terms of the Settlement, if the Court does not give final approval to the Settlement for any reason, the parties to the lawsuit will continue with the lawsuit.

#### **14. HOW DO I ASK THE COURT TO EXCLUDE ME FROM THE SETTLEMENT IF I DO NOT WANT TO PARTICIPATE?**

If you want to be excluded from the Settlement, you must fill out and mail the Request for Exclusion form accompanying this notice to express your intent to opt-out of the Settlement in *Charles Goulet and Stacey Bell v. Industrial Finishes & Systems, Inc.*, Case No. 20STCV09977 and not receive your share of the non-PAGA portion of the Settlement. You must mail your exclusion request, postmarked no later than \_\_\_\_\_, to:

[ADMINISTRATOR'S NAME]  
[ADMINISTRATOR'S ADDRESS]

If you send the Request for Exclusion form to the Claims Administrator at the physical address within the deadline identified above, indicating that you want to opt-out of the settlement in this case, **you will not be eligible** to receive any of the benefits under the Settlement with the exception, if applicable, of any allocation of the PAGA Award settlement. You will, however, retain whatever legal rights you may have against Defendant. However, please be advised that you may not opt out of the PAGA Award settlement. If you exclude yourself from the settlement, you **CANNOT** object to the Settlement.

#### **15. CAN I OBJECT TO THE SETTLEMENT?**

Yes, so long as you have not opted out of the Settlement, you may object to any part of the Settlement, including Class Counsel's request for attorneys' fees and costs, either personally or through an attorney at your own expense, by filing a written objection with the Court and mailing copies of the written objection to Class Counsel (Law Offices of Jake D. Finkel, APC, 3470 Wilshire Blvd., Suite 830, Los Angeles, CA 90010) and Defense Counsel (Sutton Hague Law Corporation, P.C., 5200 N. Palm Ave., Suite 203, Fresno, CA 93704) by no later than **[insert date]**. All objections should include the name and case number of the Action: *Charles Goulet and Stacey Bell v. Industrial Finishes & Systems, Inc.*, Case No. 20STCV09977, a statement of the reasons why you believe that the Court should find the proposed Settlement is not in the best interest of the Class and the reasons why the Settlement should not be approved.

If you make an objection, and the Court nonetheless grants final approval to the Settlement, you will still receive a share of the Settlement funds and you will be subject to the release described above in Part 10. The only way to ensure that you will not be subject to this Settlement or the release set forth above in Part 10, is to submit a request to be excluded from the Settlement.

#### **16. CAN I DISPUTE THE ESTIMATED NUMBER OF WORKWEEKS**

Yes, if you wish to dispute the accuracy of the estimated number of workweeks during the Class Period and/or during the PAGA Period credited to you, you must fill out the Employment Information Dispute Form accompanying this Notice and mail to the Claims Administrator, no

later than **[INSERT DATE]**. The Claims Administrator will make the final decision as to the merits of the dispute.

## **THE LAWYERS IN THIS CASE**

### **17. DO I HAVE A LAWYER IN THIS CASE?**

The Court has decided that the attorneys of the Law Offices of Jake D. Finkel, APC, at 3470 Wilshire Blvd. Ste. 830 Los Angeles, CA 90010 may represent you and all Class Members. Attorneys Jake D. Finkel, and Joshua Park and the attorneys of the Law Offices of Jake D. Finkel, APC are called “Class Counsel.”

### **18. SHOULD I GET MY OWN LAWYER?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. You may retain your own lawyer at your own expense. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

### **19. HOW WILL THE LAWYERS BE PAID?**

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses. You won’t have to pay these fees and expenses. The fees and expenses that the Parties have agreed that Class Counsel may request are identified above at Part 8. If the Court grants Class Counsel’s request, the fees and expenses will be deducted from the Gross Settlement Value.

## **IMPORTANT FUTURE DATES**

### **20. WHAT HAPPENS NEXT?**

The Court has scheduled a Final Fairness Hearing for **[insert time]** on **[insert date]** at the Los Angeles Superior Court, Department 17, located at 312 North Spring Street Los Angeles, CA 90012. You have the option to appear by audio or video at the Final Fairness Hearing. Please visit <https://my.lacourt.org/laccwelcome> for directions on appearing by audio or video at the Final Fairness Hearing. At the Final Fairness Hearing, the Court will decide whether or not to grant final approval of the Settlement. At the same place and immediately following the Final Fairness Hearing, the Court will also rule on the Settlement Class Representatives’ request for attorney’s fees, litigation costs, and incentive award.. If the Court grants final approval of the Settlement, Notice of the Entry of Judgment will be posted on the Claims Administrator’s website at **[INSERT WEBSITE]**.

## **GETTING MORE INFORMATION**

### **21. ARE MORE DETAILS AVAILABLE?**

This Notice only summarizes the Action, the Settlement, and other related matters. There are a variety of ways that you can request more information.

- You may refer any questions about the lawsuit and the Settlement to the Claims Administrator by calling **[insert phone number]**, or by calling Class Counsel at (213) 787-

7411. You may also email Class Counsel at [jake@lawfinkel.com](mailto:jake@lawfinkel.com) and/or [josh@lawfinkel.com](mailto:josh@lawfinkel.com).

- You may visit [INSERT WEBSITE] where you can review the Complaint, all papers filed by Class Counsel in support of their Motion for Preliminary Approval of Class Action Settlement, the Court's Order Granting Preliminary Approval of Class Action Settlement, and the Joint Stipulation of Class Settlement, and amendment(s) thereof, that contains all terms of the Settlement. If the Court grants final approval to the Settlement, the website will also have copies of all papers filed by Class Counsel in support of their Motion for Final Approval of Class Action Settlement and the Court's Order Granting Final Approval of Class Action Settlement. If your address changes or is different from the one on the envelope enclosing this Notice, please promptly notify the Claims Administrator at [INSERT WEBSITE].

**OTHER THAN THE FILING OF ANY OBJECTIONS, PLEASE DO NOT CONTACT OR WRITE THE COURT, THE DEFENDANT, OR DEFENDANT'S ATTORNEYS FOR INFORMATION REGARDING THIS NOTICE, THE EXCLUSION FORM, THE EMPLOYEE INFORMATION DISPUTE FORM, OR THE SETTLEMENT.**