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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ARIEL LOZANO,

Plaintiff,

v.

Q-FLEX, INC., and DOES 1 through 50,
inclusive,

Defendants.

Case No.30-2020-01140853-CU-OE-CXC

CLASS ACTION

**FOURTH AMENDED STIPULATION OF
CLASS ACTION SETTLEMENT AND
RELEASE**

Assigned for all purposes to:

Hon. Glenda Sanders, Dept. CX101

Complaint Filed: May 26, 2020

Trial Date: None Yet Set

**FOURTH AMENDED STIPULATION OF CLASS ACTION SETTLEMENT AND
RELEASE**

IT IS HEREBY STIPULATED, by and among Plaintiff ARIEL LOZANO, on behalf of himself and the Settlement Class Members on the one hand, and Defendant Q-FLEX, INC. and subject to the approval of the Court, that the above-captioned action is hereby being compromised and settled pursuant to the terms and conditions set forth in this Fourth Amended Joint Stipulation of Class Action Settlement and Release (the "Settlement").

1. DEFINITIONS

Capitalized terms used in this Settlement shall have the meanings set forth below:

1.1. "Action" shall mean the lawsuit entitled *Lozano v. Q-Flex Inc.; and DOES 1 through 50*, pending in the Superior Court of the State of California, County of Orange, and designated as Case No. 30-2020-01140853-CU-OE-CXC.

1.2. "Claims Administrator" means Phoenix Settlement Administrators.

1.3. "Claims Administration Costs" means the amount to be paid to the third-party Claims Administrator to administer the Settlement, not to exceed Five Thousand Dollars (\$5,000.00).

1.4. "Class Counsel" means Kevin Mahoney, and Berkeh Alemzadeh of the Mahoney Law Group, APC.

1.5. "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's litigation and resolution of this Action in a maximum amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) or (1/3rd of the Gross Settlement Amount). The Court shall determine the amount of the Class Counsel Award, and it shall be paid from the Gross Settlement Amount.

1.6. "Class Counsel Costs" means expenses incurred by Class Counsel for Class Counsel's litigation and resolution of this Action, not to exceed Twelve Thousand Dollars (\$12,000.00). The Court shall determine the amount of the Class Counsel Costs, and it shall be paid from the Gross Settlement Amount.

1.7. "Class Information" means information regarding Settlement Class Members that Defendant Q-Flex Inc. will in good faith compile from its records and provide to the Claims

1 Administrator. Class Information shall be provided as a Microsoft Excel spreadsheet and shall
2 include: each Settlement Class Member's full name; last known address; last four (4) digits of
3 social security number; employee identification number; and the total number of workweeks each
4 Settlement Class Member worked for Defendant Q-Flex, Inc., during the Class Period.

5 1.8. "Class Period" means the period from May 26, 2016, through and including the
6 date the Court grants Preliminary Approval of the Settlement.

7 1.9. "Class Representative Enhancement Award" means the amount that the Court
8 authorizes to be paid to the Class Representative Ariel Lozano, not to exceed One Thousand Five
9 Hundred Dollars (\$1,500.00), in addition to her Individual Settlement Payment, for her service in
10 connection with being the Class Representative. The Class Representative Enhancement Award
11 shall be paid from the Gross Settlement Amount. Any portion of the requested Class
12 Representative Enhancement Award that is not awarded to Plaintiff Ariel Lozano shall be part of
13 the Net Settlement Amount.

14 1.10. "Court" means the Superior Court of the State of California for the County of
15 Orange.

16 1.11. "Defendant" means Q-Flex, Inc., and all of its current and former parents, owners,
17 subsidiaries, predecessors and successors, and each of their respective officers, directors,
18 partners, shareholders and agents, and any other successors, or assigns.

19 1.12. "Defense Counsel" means Gopal S. Patel of Prindle, Goetz, Barnes & Reinholtz,
20 LLP.

21 1.13. "Effective Date" means the date that the Gross Settlement Amount is fully funded
22 as agreed to in this Agreement.

23 1.14. "Employee" means Plaintiff Ariel Lozano.

24 1.15. "Employer" means Defendant Q-Flex, Inc., and all of their current and former
25 parents, owners, subsidiaries, predecessors and successors, and each of their respective officers,
26 directors, partners, shareholders and agents, and any other successors, assigns, or legal
27 representatives.

28 1.16. "Employee Taxes" means the employee's share of any and all applicable federal,

1 state, and local payroll taxes on the portion of Participating Class Members' Individual
2 Settlement Payment that constitutes wages. The Employee Taxes will be paid out of the Net
3 Settlement Amount.

4 1.17. "Employer Taxes" means the employer's share of any and all applicable federal,
5 state, and local payroll taxes on the portion of Participating Class Members' Individual
6 Settlement Payment that constitutes wages. The Employer Taxes will be paid separately by the
7 Employer and shall not be paid out of the Gross Settlement Amount.

8 1.18. "Final Approval Hearing" means the hearing held by the Court, pursuant to class
9 action procedures and requirements, on the motion for final approval of the Settlement.

10 1.19. "Final Approval Date" means the date, which the Court grants final approval of
11 the Settlement.

12 1.20. "Final Judgment" means the Court's entry of an order of judgment in this Action
13 following the Court's final approval of the Settlement.

14 1.21. "Gross Settlement Amount" means the maximum amount Defendant shall have to
15 pay in connection with this Settlement, by way of a common fund, which shall be inclusive of
16 all Individual Settlement Amounts to Participating Class Members, Class Counsel Award, Class
17 Counsel Costs, Claims Administrator Costs, Class Representative Enhancement Award,
18 Employee Taxes, and PAGA Allocation. Subject to Court approval and the terms of this
19 Settlement, the Gross Settlement Amount Defendant shall be required to pay is Forty-Five
20 Thousand Dollars and Zero Cents (\$45,000.00). No portion of the Gross Settlement Amount will
21 revert to Defendant, and the Settlement does not require Participating Class Members to submit
22 claims as a prerequisite to receiving their Individual Settlement Payment. This settlement sum is
23 based on Defendant's representation that the class size is approximately twenty-seven (27)
24 individuals. Defendant shall not be required to pay more than the Gross Settlement Amount, as
25 long as the class size does not increase by more than ten (10) percent (i.e., if the class size
26 increases to eleven (11) percent, the Settlement Agreement shall increase proportionately, i.e.,
27 by eleven percent of the Gross Settlement Amount), and so forth. Under no other circumstances
28 shall Defendant be required to pay more than the Gross Settlement Amount except as provided

1 for in this Settlement.

2 1.22. "Individual Settlement Payment" means the amount payable to each Participating
3 Class Member, as calculated pursuant to Paragraph 3.23 of the Settlement, from the Net
4 Settlement Amount. Checks for Individual Settlement Payments will specifically indicate that
5 they are void if not negotiated within one hundred eight (180) days of their issuance.

6 1.23. "LWDA PAGA Allocation" The LWDA PAGA Allocation shall be One
7 Thousand Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-
8 five percent (75%) of the PAGA Settlement Allocation, and shall be paid to California's Labor
9 Workforce Development Agency from the Gross Settlement Amount.

10 1.24. "Net Settlement Amount" means the Gross Settlement Amount, less (i) the Class
11 Representative Payment approved by the Superior Court (not to exceed \$1,500.00); (ii) the Class
12 Counsel Fees Payment approved by the Superior Court (not to exceed \$15,000); (iii) the Class
13 Counsel Litigation Expenses Payment approved by the Superior Court (not to exceed \$12,000.00)
14 (iv) the PAGA payment approved by the Superior Court (\$1,875.00); (v) the Settlement
15 Administrator Payment approved by the Superior Court (not to exceed \$5,000), (vi) any other
16 fees or expenses (other than Class Counsel Fees Payment and Class Counsel Litigation Expenses
17 Payment) incurred by implementing the terms and conditions of this Agreement as approved by
18 the Superior Court.

19 1.25. "Non-Participating Class Member" shall mean a Class Member who submits a
20 complete, valid and timely request to be excluded from the Settlement pursuant to the instructions
21 provided in the Class Notice and/or who has signed a release with Defendants to resolve any
22 claims as alleged in the Action. Even if a Class Members submits a valid and timely request to be
23 excluded from the Settlement, if the Class Member worked during the PAGA period, the Class
24 Members shall be considered an "Aggrieved Employee" for purposes of a PAGA Settlement
25 Payment and shall be entitled to receive an Individual PAGA Settlement Payment and will be
26 deemed to have released all claims for civil penalties under PAGA as alleged in the operative
27 complaint and as alleged in the Notice to the LWDA on April 27, 2020.

28 1.26. "Notice of Objection" means a written statement of objection to the Settlement

made and signed by a Settlement Class Member and includes the following: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four (4) digits of the Settlement Class Member's Social Security number and/or the Employee ID number; (4) the basis for the objection; and, (5) whether the Settlement Class Member intends to appear at the Final Approval Hearing.

1.27. "Notice of Settlement" means the Notice of Proposed Class Action Settlement (substantially in the form attached hereto as **Exhibit "A"**).

1.28. "Notice Packet" means the Notice of Proposed Class Action Settlement, Notice of Estimated Individual Settlement Payment, and the Request for Exclusion.

1.29. "PAGA Allocation" means Two Thousand Five Hundred Dollars (\$2,500.00), allocated from the Gross Settlement Amount for the compromise of claims for civil penalties brought under the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Per California Labor Code section 2699(i), One Thousand Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy five percent (75%) of the PAGA Allocation, will be paid to California's Labor Workforce Development Agency. The remaining Six Hundred Twenty-Five Dollars (\$625.00), representing twenty five percent (25%) of the PAGA Allocation, shall be part of the Net Settlement Amount to be distributed to Participating Class Members.

1.30. "Participating Class Members" means all Settlement Class Members who do not submit a valid and timely Request for Exclusion.

1.31. "Parties" means Plaintiff and Defendant collectively, and "Party" shall mean any Plaintiff or any Defendant, individually.

1.32. "Plaintiff" means Ariel Lozano.

1.33. "Plaintiff's General Released Claims" means, in addition to the releases made by Participating Class Members, Plaintiff, on behalf of himself, his heirs, successors, assigns, executors, trustees, and estates, in exchange for the terms and conditions of this Agreement, including the Class Representative Enhancement Award requested or as otherwise authorized by the Court, shall also, as of the Effective Date, fully and forever release the Released Parties, to the full extent permitted by law, of and from any and all claims arising from her employment with

1 Defendant, known and unknown, asserted and unasserted, which Plaintiff had or may have had
2 against the Released Parties, whether sounding in tort, in contract, in law, in equity or otherwise,
3 and including but not limited to all claims for violation of any local, state, or federal statute, rule,
4 or regulation.

5 1.34. "Preliminary Approval Date" means the date the Court enters the Preliminary
6 Approval Order for the Settlement.

7 1.35. "Preliminary Approval Order" means the Proposed Order (filed concurrently with
8 this Settlement) for preliminary approval of the Settlement, as amended by the Court.

9 1.36. "Released Class Claims" means all claims, that were alleged, or reasonable could
10 have been alleged, based on the Class Period facts stated in the operative Complaint, and
11 ascertained in the Course of the Action, including, but not limited to, all wage and hour claims
12 for unpaid wages including minimum wage payments, failure to pay wages during employment,
13 failure to pay overtime, failure to pay wages upon termination, , meal and rest break violations,
14 wage statement violations and penalties, waiting time penalties, reimbursement, restitution and
15 other equitable relief, disgorgement, conversion, unjust enrichment, civil and statutory penalties,
16 interests, liquidated damages, punitive damages, attorneys' fees and costs, claims under
17 California Labor Code sections 201-203, 226, 226.7, 510, 512, 1174, and 1194, Industrial
18 Welfare Commission Wage Order No. 1, claims under California Business & Professions Code
19 sections 17200-17204, as asserted in the Action. This release shall apply to all class claims
20 arising at any point between May 26, 2016 through the date the Court grants Preliminary
21 Approval of the Settlement. Class Members who do not wish to participate in the Class
22 Settlement shall have the option to "opt-out."

23 1.37. Similarly Aggrieved Employees Released PAGA Claims" means all claims that
24 were alleged, or reasonably could have been alleged, based on the Class Period facts stated in
25 the operative Complaint and notice to the LWDA on April 27, 2020 for civil penalties pursuant
26 to Private Attorneys General Act ("PAGA"), including but not limited to unpaid wages including
27 minimum wage payments, failure to pay wages during employment, failure to pay overtime,
28 failure to pay wages upon termination, meal and rest break violations, wage statement violations

1 and penalties, waiting time penalties, reimbursement, attorneys' fees and costs. This release
2 shall apply to all claims under PAGA arising at any point between April 27, 2020 through the
3 date the Court grants Preliminary Approval of the Settlement. Similarly Aggrieved Employees
4 shall not be able to "opt-out" from the PAGA release.

5 1.38. "Released Parties" means Q-Flex, Inc., and all of its current, former, and future
6 parents, owners, subsidiaries, predecessors and successors, agents, employees, officers,
7 directors, shareholders, agents, and any other successors or assigns.

8 1.39. "Request for Exclusion" means a Settlement Class Member's completed Request
9 for Exclusion form to opt out of the Settlement in the form substantially similar to that attached
10 hereto as **Exhibit B**.

11 1.40. "Response Deadline" means the date sixty (60) days after the Claims
12 Administrator mails Notice Packets to Settlement Class Members, and shall be the last date on
13 which Settlement Class Members may: (a) postmark Requests for Exclusion from the Settlement,
14 or (b) postmark Objections to the Settlement.

15 1.41. "Settlement" means the terms of this Stipulation of Class Action Settlement and
16 Release.

17 1.42. "Settlement Class Member(s)" or "Settlement Class" means all non-exempt
18 employees, currently and formerly employed by Defendant, in the State of California during the
19 Class Period.

20 1.43. "Similarly, Aggrieved Employees" means all non-exempt employees, currently
21 and formerly employed by Defendant in the State of California during the period April 27, 2019,
22 through the date the Court grants Preliminary Approval of the Settlement.

23 **1.44. RECITALS**

24 2.1. Class Certification. The Parties stipulate and agree to the certification of this
25 Action for purposes of this Settlement only. Should the Settlement not become final and effective,
26 class certification shall immediately be set aside (subject to further proceedings on motion of any
27 party to certify or deny certification thereafter), the Settlement shall be deemed null and void, and
28 will be of no force or effect whatsoever, and will not be referred to or utilized for any purpose

1 whatsoever. The Parties' willingness to stipulate to class certification as part of the Settlement
2 shall have no bearing on and shall not be admissible in or considered in connection with, the issue
3 of whether a class should be certified in a non-settlement context in this Action, and shall have
4 no bearing on and shall not be admissible or considered in connection with the issue of whether
5 a class should be certified in any other lawsuit.

6 2.2. Procedural History. On May 26, 2020 Plaintiff Ariel Lozano, a former employee
7 of Defendant filed the Action in the Superior Court of California for the County of Orange as a
8 proposed class action on behalf of all current and former non-exempt California employees of
9 Defendant during the period of May 26, 2016, through the date of final judgment. Plaintiff Lozano
10 alleged that Defendant, (1) failed to pay all wages, including overtime wages, (2) failed to provide
11 meal periods; (3) failed to provide rest periods; (4) failed to pay wages due at separation of
12 employment; (5) failed to issue accurate itemized wage statements; and (6) engaged in unfair
13 business practices. On March 26, 2021, Plaintiff filed a First Amended Complaint to add a seventh
14 cause of action adding penalties under the Private Attorney's General Act ("PAGA"), Labor Code
15 section 2698, et seq. Plaintiff Lozano sought recovery under the California Labor Code, the
16 applicable Industrial Welfare Commission Wage Order, and the California Business &
17 Professions Code.

18 2.3. Settlement Negotiations. On October 16, 2020, the Parties participated in a private
19 mediation session with Hon. Peter D. Lichtman, a well-respected, experienced mediator in the
20 field of wage and hour class actions. Prior to the mediation, Class Counsel conducted extensive
21 formal and informal discovery and investigation during the prosecution of the Action. The
22 discovery and investigation included, among other things: (1) inspection and analysis of employee
23 documents and data, including personnel files, time and payroll records, employment policies and
24 procedures, and other relevant documents; (2) evaluation of legal positions taken by Defendant;
25 (3) evaluation of potential class-wide damages and PAGA penalties; and (4) review and research
26 of applicable law with respect to the claims and potential defenses brought by Defendant. Class
27 Counsel has vigorously prosecuted this Class Action, and Defendant has vigorously defended it.
28 The Parties have engaged in sufficient discovery and investigation to assess the relative merits of

1 the claims and contentions of the Parties. Based on this information and the settlement discussions
2 during the mediation conducted at arm's length and settlement discussions, the Parties came to
3 an agreement October 16, 2020. The settlement is the result of an informed and detailed
4 evaluation of the potential liability of total exposure in relation to the costs and risks associated
5 with continued litigation of the Action.

6 2.4. Benefits of Settlement to Settlement Class Members. Plaintiff and Class Counsel
7 recognize the length of continued proceedings necessary to litigate their disputes through
8 certification, trial, and any possible appeal. Plaintiff and Class Counsel have also taken into
9 account the uncertainty and risk of the outcome of further litigation, the difficulties and delays
10 inherent in such litigation, including, but not limited to, the risks related to a contested motion for
11 class certification, and the risks related to liability raised by the issues in this case. Plaintiff and
12 Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims
13 asserted in the Action and the difficulties in establishing damages for the Settlement Class
14 Members. Plaintiff and Class Counsel have also taken into account Defendants' agreement to
15 enter into a settlement that confers substantial relief upon Settlement Class Members. Based on
16 the foregoing, Plaintiff and Class Counsel have determined that this Settlement is a fair, adequate,
17 and reasonable, and is in the best interests of the Settlement Class Members.

18 2.5. Defendant's Denial of Wrongdoing and Liability and Reasons for Settlement.
19 Defendant contends that the Settlement Class Members were properly and timely paid all wages
20 owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and
21 were provided meal and rest periods as required under California law. However, Defendant has
22 concluded that any further defense of this litigation would be protracted and expensive for all
23 Parties. Substantial amounts of time, energy and resources of Defendant has been and, unless this
24 Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff
25 and Settlement Class Members. Defendant has also taken into account the risks of further
26 litigation in reaching their decision to enter into this Settlement. Nonetheless, Defendant has
27 concluded that further proceedings in the Action would be protracted and expensive and that it is
28 desirable that the Action be fully and finally settled in the manner and upon the terms and

1 conditions set forth in this Settlement in order to dispose of burdensome and protracted litigation,
2 to permit the operation of Defendant's business without further expensive litigation and the
3 distraction and diversion of its personnel with respect to matters at issue in the Action . Defendant
4 has also taken into account the uncertainty and risks inherent in any litigation, especially in
5 complex cases such as this Action. Defendant has therefore determined that it is desirable and
6 beneficial to them that the Action be settled in the manner and upon the terms and conditions set
7 forth in this Settlement.

8 2.6. No Admissions. The Parties understand and agree that this Settlement is the result
9 of a good faith compromise of disputed claims and allegations, and Defendant is entering into
10 this Settlement Agreement solely to resolve doubtful and disputed matters. No part of this
11 Settlement Agreement or any conduct or written or oral statements made in connection with this
12 Settlement, where or not the Settlement Agreement is finally approved and/or consummated,
13 may be offered as or construed to be an admission or concession of any kind by either of any of
14 the Parties. In particular, but without limiting the generality of the foregoing, nothing about this
15 Settlement or Settlement Agreement shall be offered or construed as an admission that
16 Defendant has violated any of their obligations under the California Labor Code, or of liability
17 in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever on the part of
18 Defendant and/or Released Parties. In addition, this Settlement Agreement shall not be offered
19 or be admissible in evidence against any of the Parties or any of the Released Parties, except in
20 any action or proceeding brought by or against Plaintiff, the Class, Class Members, or Defendant
21 to enforce its terms, or by Defendant in defense of any claims brought by Plaintiff, the Class,
22 Class Members. The provision of this paragraph shall become effective when this Settlement is
23 signed and shall be binding on the Parties and their counsel regardless of whether the Settlement
24 Agreement is preliminarily and/or finally approved or terminated for any reason, or rendered
25 null and void.

26 2.7. Settlement Class Members' Claims. Plaintiff claims that the Released Claims
27 have merit and give rise to liability on the part of Defendant. This Settlement is a compromise
28 of disputed claims. Nothing contained in this Settlement and no documents referred to herein,

nor any action taken to carry out this Settlement may be construed or used as an admission by or against the Settlement Class Members or Class Counsel as to the merits or lack thereof of the claims asserted.

2.8. Defendant's Defenses. Defendant has denied and continues to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in the Action. Defendant has expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged in the Action. Defendant contends that it complied in good faith with California and federal wage-and-hour laws and has dealt legally and fairly with Plaintiff and Settlement Class Members and Similarly Aggrieved Employees. Defendant further denies that, for any purpose other than settling the Action, these claims are appropriate for class or representative treatment.

2.9. Gross Amount Payable by Defendants. Under the terms of this Settlement, the gross amount payable by Defendant shall not exceed the Gross Settlement Amount of Forty-Five Thousand Dollars (\$45,000.00) as provided by this Agreement, exclusive of the normal employer's share of any payroll taxes attributable to the Settlement Share payments allocated to wages. Employer shall pay the employer's share of taxes separate and apart from the Gross Settlement Amount.

3. TERMS OF SETTLEMENT

The Parties agree as follows:

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

3.2. Release as To Plaintiff and All Settlement Class Members.

3.2.1. Release as All Settlement Class Members. As of the Effective Date, all Settlement Class Members, including Plaintiff, who do not opt out of the Settlement, will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged the Released Parties from the Released Claims for the period of May 26,

2016, to the Preliminary Approval Date. Settlement Class Members, including Plaintiff, who do not opt out of the Settlement will be deemed to have released any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind by each and all of the Settlement Class Members (including participation to any extent in any class or collective action), to obtain recovery against the Defendant that is reasonably related to the Released Claims for harms arising during the Class Period.

3.2.2. Release as To Plaintiff. As of the Effective Date, Plaintiff will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all of Plaintiff's General Released Claims against the Released Parties. With respect to the Plaintiff's General Released Claims only, Plaintiff shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of section 1542 of the California *Civil* Code, or any other similar provision under federal or state law, which section provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiff may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Plaintiff's General Released Claims, but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released any and all of the Plaintiff's General Released Claims, whether known or unknown, suspected or unsuspected,

contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiff agrees not to sue or otherwise make a claim against any of the Released Parties for Plaintiffs' General Released Claims.

3.3. Release as to Defendant: Pursuant to this Agreement, Defendant and Released Parties and on behalf of their agents, representatives, , insurers, assigns, and/or anyone acting on their respective behalf, and in consideration of the promises, assurances, and covenants set forth in this Agreement, hereby fully release the Employee and Employee's heirs, agents, representatives, assigns, executors, and/or anyone on Employee's behalf (collectively, the Employee Released Parties") from all claims or causes of action by reason of any injuries and/or damages or losses, known or unknown, foreseen or unforeseen, patent or latent, which the Company has sustained or which may be sustained as a result of any facts and circumstances arising out of or in any way related to Employee's employment with the Company, and to any other disputes, claims, disagreements, or controversies, between the Parties up to and including the date of this Agreement is signed.

3.4. Tax Liability. The Parties understand and agree that the Parties are not providing tax or legal advice. Participating Class Members will remain responsible for any Employee Taxes. Participating Class Members will assume any employee tax obligations or consequences that may arise from this Settlement and should consult with a tax expert if they have questions. However, Individual Settlement Payments will be allocated as follows: twenty percent (20%) as wages (a W-2 will be issued) and eighty percent (80%) as interest and penalties (a 1099 will be issued). Any required payroll deductions will be based on this apportionment. The Parties agree that, in the event that any taxing body determines that additional employee taxes are due from any Participating Class Member, such Participating Class Member assumes all responsibility for the payment of such taxes.

1 3.5. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
2 of this Settlement, and no written communication or disclosure between or among the Parties,
3 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any
4 such communication or disclosure constitute or be construed or be relied upon as, tax advice
5 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
6 amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own,
7 independent legal and tax counsel for advice (including tax advice) in connection with this
8 Settlement, (b) has not entered into this Settlement based upon the recommendation of any other
9 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
10 communication or disclosure by any attorney or advisor to any other party to avoid any tax
11 penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any
12 other party has imposed any limitation that protects the confidentiality of any such attorney's or
13 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
14 by the acknowledging party of the tax treatment or tax structure of any transaction, including
15 any transaction contemplated by this Settlement.
16

17 3.6. Settlement Approval and Implementation Procedures. As part of this Settlement,
18 the Parties agree to the following procedures for obtaining the Court's preliminary approval of
19 the Settlement, certifying the Settlement Class, notifying Settlement Class Members of the
20 Settlement, obtaining the Court's final approval of the Settlement, and processing the Individual
21 Settlement Payments.

22 3.7. Preliminary Approval and Certification. As soon as practicable after execution of
23 this Settlement, but no later than thirty (30) days, the Parties will jointly submit this Settlement
24 to the Court for its preliminary approval. Such submission will include this Settlement, the
25 proposed Notice Packet, the proposed Preliminary Approval Order, and any, memoranda and
26 evidence as may be necessary for the Court to determine that this Settlement is fair, adequate,
27 and reasonable. The Parties agree to request the Court to enter an order conditionally certifying
28 the Settlement Class after the preliminary approval hearing, in accordance with California Rules

1 of Court, Rule 3.769(c).

2 3.8. Class Information. No more than twenty-one (21) calendar days after the entry of
3 the Preliminary Approval Order, Defendant, shall provide the Claims Administrator with the
4 Class Information for purposes of mailing Notice Packets to Settlement Class Members,
5 including: 1. Class Member's full name; 2. Class Member's last known address; 3. Class
6 Member's last four (4) digits of social security number and/or Class Member's employee
7 identification number; and 5. based on Defendant's payroll records, the Class Member's total
8 number of workweeks. The Settlement Administrator shall use commercially reasonable efforts
9 to secure the data provided by Defendant at all times so as to avoid inadvertent or unauthorized
10 disclosure or use of such data other than as permitted by the Settlement. The Settlement
11 Administrator shall ensure that the Class Notice and any other communications to Class
12 Members shall not include the Class Members' social security number, except for the last four
13 (4) digits, if necessary.

14 3.9. Notice by First Class U.S. Mail. Upon receipt of the Class Information, the Claims
15 Administrator will perform a search on the National Change of Address database to update the
16 Settlement Class Members' addresses. No more than ten (10) calendar days after receiving the
17 Class Information from Defendants, as provided herein, the Claims Administrator shall mail
18 copies of the Notice Packet to all Settlement Class Members by regular First-Class U.S. Mail.
19 The Claims Administrator shall exercise its best judgment to determine the current mailing
20 address for each Settlement Class Member. The address identified by the Claims Administrator
21 as the current mailing address shall be presumed to be the best mailing address for each
22 Settlement Class Member.

23 3.10. Undeliverable Notices. Any Notice Packets returned to the Claims Administrator
24 as undeliverable on or before the sixty (60) day Response Deadline shall be re-mailed to the
25 forwarding address affixed thereto.

26 3.11. For each Settlement Class Member whose Notice Packet is returned, there will be
27 one (1) skip trace by the Claims Administrator. If an updated mailing address is identified, the
28

1 Claims Administrator shall resend the Notice Packet to the Settlement Class Member. One (1)
2 supplemental Notice Packet shall be mailed to each Settlement Class Member whose original
3 Notice Packet is returned as undeliverable to the Claims Administrator. Such re-mailing shall
4 be made within five (5) business days of the Claims Administrator receiving notice that the
5 respective Notice Packet was undeliverable. Any requests by the Claims Administrator for
6 documents or information from Defendant must be responded to within a reasonable amount of
7 time by counsel for Defendant. It is the intent of the Parties that reasonable means be used to
8 locate the Settlement Class Members and apprise them of their rights.

9 3.12. Settlement Class Members to whom Notice Packets are resent after having been
10 returned undeliverable to the Claims Administrator, during the entire Response Deadline, shall
11 have an additional fourteen (14) calendar days from the date of re-mailing, or until the sixty (60)
12 day Response Deadline has expired, whichever is later, to mail the Request for Exclusion or a
13 Notice of Objection. Notice Packets that are resent shall inform the recipient of this adjusted
14 deadline. The date of the postmark on the return envelope shall be the exclusive means used to
15 determine whether a Settlement Class Member has returned his or her Request for Exclusion on
16 or before the adjusted deadline. It will be conclusively presumed that if an envelope so mailed
17 has not been returned within twenty (20) days of the mailing, that the Settlement Class Member
18 received the Notice Packet, and it will be presumed that it was received. Notices however that
19 are returned within forty-five (45) days will be remailed. If a Settlement Class Member's Notice
20 Packet is returned to the Claims Administrator more than once as undeliverable, then an
21 additional Notice Packet shall not be re-mailed. Nothing further shall be required of, or done by,
22 the Parties, Class Counsel, or Defendants' Counsel to provide notice of the proposed Settlement.

23 3.13. Compliance with the procedures specified in paragraphs 3.9-3.12 of this
24 Settlement shall constitute due and sufficient notice to Settlement Class Members of this
25 Settlement and shall satisfy the requirement of due process. In the event the procedures set forth
26 herein are followed and the intended recipient of a Notice Packet still does not receive the Notice
27 Packet, the intended recipient will be a participating Class Member and will be bound by all
28

1 terms of the Settlement and the Order Granting Final Approval entered by the Court. Nothing
2 else shall be required of, or done by, the Parties, Class Counsel, and Defense Counsel to provide
3 notice of the proposed Settlement.

4 3.14. Disputes. Settlement Class Members will have the opportunity during the sixty
5 (60) day response period, should they disagree with Defendant's records regarding their days
6 worked during the Class Period, to provide documentation and/or an explanation to show
7 contrary days worked. A space will be provided on the Notice of Settlement Payment for Class
8 Members to raise such disputes. For a Class Member's dispute to be considered, the Class
9 Member must fully complete the Notice and timely return it to the Settlement Administrator.
10 Class Members will have sixty (60) days after the date the Notice Packet is mailed by the
11 Settlement Administrator to mail in a dispute, including any supporting evidence the Class
12 Member may have. The date of the postmark of the return mailing envelope shall be the
13 exclusive means used to determine whether a dispute has been timely submitted to the
14 Settlement Administrator. If there is a dispute, the Claims Administrator will consult with the
15 Parties to determine whether an adjustment is warranted. The Claims Administrator shall
16 determine the eligibility for, and the amounts of, any Individual Settlement Payments under the
17 terms of this Settlement. The Claims Administrator's determination of the eligibility for and
18 amount of any Individual Settlement Payment shall be binding upon the Settlement Class
19 Member and the Parties.
20

21 3.15. Exclusions (Opt-Outs). The Notice Packet shall state that Settlement Class
22 Members who wish to exclude themselves from the Settlement must submit a Request for
23 Exclusion Form by the Response Deadline. The Request for Exclusion: (1) must contain the
24 name, address, and the last four (4) digits of the Social Security number of the Settlement Class
25 Member requesting exclusion/ or an Employee Identification Number, (2) must be signed by the
26 Settlement Class Member; and (3) must be postmarked by the Response Deadline and returned
27 to the Claims Administrator at the specified address. If the Request for Exclusion does not
28 contain the information listed in (1)-(2), it will not be deemed valid for exclusion from this

1 Settlement. The date of the postmark on the return-mailing envelope shall be the exclusive
2 means used to determine whether a Request for Exclusion has been timely submitted. Any
3 Settlement Class Member who requests to be excluded from the Settlement will not be entitled
4 to any recovery under the Settlement and will not be bound by the terms of the Settlement.
5 Settlement Class Members who receive a Notice Packet, but fail to submit a valid and timely
6 Request for Exclusion on or before the Response Deadline shall be bound by all terms of the
7 Settlement and any Final Judgment entered in this Action if the Settlement is approved by the
8 Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
9 members of the Settlement Class to submit Requests for Exclusion from the Settlement. Class
10 Counsel shall not represent any Settlement Class Member with respect to any such Requests for
11 Exclusion. Settlement Class Members who submit a valid Request for Exclusion may not also
12 submit a Notice of Objection.

13
14 3.16. Objections. The Notice Packet shall state that Settlement Class Members who
15 wish to remain Class Members, but desire to object to the Settlement must not submit a Request
16 for Exclusion and must submit a written statement of objection (“Notice of Objection”) by the
17 Response Deadline to the Claims Administrator. The Notice of Objection must be signed by the
18 Settlement Class Member and state: (1) the full name of the Settlement Class Member; (2) the
19 dates of employment of the Settlement Class Member; (3) the last four (4) digits of the
20 Settlement Class Member’s Social Security number and/or the Employee ID number; (4) the
21 basis for the objection; and, (5) whether the Settlement Class Member intends to appear at the
22 Final Approval Hearing. The Notice of Objection must be postmarked by the Response Deadline
23 and returned to the Claims Administrator at the specified address. Within five (5) days of
24 receiving a notice of objection from a Settlement Class Member, the Claims Administrator shall
25 forward the notice of objection to Class Counsel and Defense Counsel. The Parties will
26 thereafter lodge the Settlement Class Member’s Notice of Objection with the Court. Settlement
27 Class Members, regardless of whether or not they submit a timely Notice of Objection, will have
28 a right to appear at the Final Approval Hearing, with or without an attorney, in order to have

1 their objections heard by the Court. At no time shall any of the Parties or their counsel seek to
2 solicit or otherwise encourage Settlement Class Members to file or serve written objections to
3 the Settlement or appeal from the Final Judgment. Class Counsel shall not represent any
4 Settlement Class Members with respect to any such objections.

5 3.17. Plaintiffs' Participation. By executing this Settlement, Plaintiff hereby stipulates
6 he will not object to or exclude himself from the Settlement in anyway.

7 3.18. No Solicitation of Settlement Objections or Exclusions. The Parties and their
8 counsel agree to use their best efforts to carry out the terms of this Settlement. At no time shall
9 any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class
10 Members to submit either written objections to the Settlement or Requests for Exclusion from
11 the Settlement, or to appeal from the Court's Final Judgment.

12 3.19. Funding of the Gross Settlement. This is a non-reversionary Settlement in which
13 Defendant is required to pay the entire Gross Settlement Amount. No portion of the Gross
14 Settlement Amount will revert to Defendant. Defendant shall fully fund the Settlement up to
15 twenty-one (21) days after the Final Approval Date. No payments from the Gross Settlement
16 Amount shall be made before the Gross Settlement Amount is fully funded. No release in this
17 Settlement shall be effective until the Gross Settlement Amount is fully funded. If Defendant
18 default, Plaintiff and all Participating Class Members will be able to pursue all claims, and the
19 Settlement becomes null and void.
20

21 3.20. No more than five (5) business days after the Gross Settlement Amount is fully
22 funded, the Claims Administrator will provide the Parties with an accounting of all anticipated
23 payments from the Gross Settlement Amount. The Net Settlement Amount shall be calculated
24 by deducting from the Gross Settlement Amount payments for (1) Class Representative
25 Enhancement Awards, as specified in this Settlement and approved by the Court; (2) Class
26 Counsel Award, as specified in this Settlement and approved by the Court; (3) Class Counsel
27 Costs, as specified in this Settlement and approved by the Court; (4) Claims Administration
28 Costs, as specified in this Settlement and approved by the Court; and (5) the LWDA PAGA

1 Allocation, as specified in this Settlement and approved by the Court. The Net Settlement
2 Amount shall be distributed in Individual Settlement Payments in accordance with Paragraphs
3 3.12.

4 3.21. Individual Settlement Payments. Each Participating Class Member shall be
5 eligible to receive an Individual Settlement Payment, which is a share of the Net Settlement
6 Amount, based on the number of weeks worked by the Participating Class Member during the
7 Class Period, as a proportion of all weeks worked by all Participating Class Members during the
8 Class Period. Individual Settlement Payments shall be paid pursuant to the formula set forth in
9 Paragraph 3.22 below. Individual Settlement Payments shall be mailed by regular First-Class
10 U.S. Mail to Participating Class Members' last known mailing address no later than fifteen (15)
11 calendar days after the Gross Settlement Amount is fully funded. Individual Settlement
12 Payments will specifically indicate that they are void if not negotiated within one hundred eight
13 (180) days of their issuance. Individual Settlement Payments reflect settlement of a dispute
14 regarding wages, interest, and penalties. Individual Settlement Payments will be allocated as
15 follows: twenty percent (20%) as wages; and eighty percent (80%) as interest and penalties. The
16 "wage" portion of each Individual Settlement Payment will be reduced by Employee Taxes.
17 The Claims Administrator shall issue the appropriate tax documents associated with the
18 Individual Settlement Payments, including an IRS Form W-2 for the amounts allocated as
19 "wages" and an IRS Form 1099 for the amounts allocated as "interest" or "penalties."

21 3.22. Individual Class Settlement Payment Formula. After deducting the Class Counsel
22 Award and Class Counsel Costs, the LWDA PAGA Allocation, Class Representative
23 Enhancement Awards, and Claims Administration Costs, the remaining funds (the "Net
24 Settlement Amount"), will be distributed as follows: The Claims Administrator shall divide the
25 Net Settlement Amount by the total number of workweeks Participating Class Members worked
26 during the Class Period in order to determine the amount each Participating Class Member is
27 entitled to for each workweek he or she was employed by Defendant (the "Daily Amount").
28 The Claims Administrator will multiply the Weekly Amount by the estimated total number of

workweeks that each Participating Class Member worked during the Class Period. The product of each calculation represents the gross Individual Settlement Payment for the respective Participating Class Member. The Claims Administrator will then deduct Employee Taxes attributable to wages to arrive at the net Individual Settlement Payment for each respective Class Member. Within twenty-one (21) calendar days after Preliminary Approval, Defendants, shall provide the Claims Administrator with any information reasonably necessary to perform the calculation of number of workweeks for each Settlement Class Member, and any other reasonably required information the Claims Administrator requests to perform the calculations required under this Settlement. Defendant shall have no responsibility for deciding the validity of any Individual Settlement Payment or any other payments made pursuant to this Settlement, shall have no involvement in or responsibility for the determination or payment of Employee Taxes, and shall have no liability for any errors made with respect to such Employee Taxes.

Individual PAGA Settlement Payment Formula: Each Similarly Aggrieved Employee shall be eligible to receive an Individual PAGA Settlement Payment, which is a share of the Net Settlement Amount ("PAGA Allocation"), based on the number of weeks worked by the Similarly Aggrieved Employee during the PAGA Period, as a proportion of all weeks worked by all Participating Similarly Aggrieved Employee during the PAGA Period. Individual PAGA Settlement Payments reflect settlement of a dispute regarding civil penalties. The Individual PAGA Settlement Payments "are not subject to taxes.

3.23. Settlement Class Members are not eligible to receive any compensation other than the Individual Settlement Payment, and they may only receive an Individual Settlement Payment if they do not submit a valid and timely Request for Exclusion to opt out of the Settlement. Plaintiff, however, is also eligible to receive a Class Representative Enhancement Award.

3.24. No benefit, including but not limited to pension benefits, shall increase or accrue as a result of any payment made pursuant to this Settlement.

3.25. If a check for an Individual Settlement Payment is returned to the Claims Administrator as undeliverable, the Claims Administrator shall promptly attempt to obtain a

1 valid mailing address by performing a skip trace search. If another address is identified, the
2 Claims Administrator shall mail the check to the newly identified address. If an Individual
3 Settlement Payment check is returned to the Claims Administrator a second time as
4 undeliverable, the Claims Administrator shall not attempt any further re-mailing of that check.
5 Any settlement checks that remain uncashed one hundred eighty (180) or more calendar days
6 after issuance shall be voided. The Claims Administrator shall forward all voided settlement
7 checks to the California State Controller's Office's Unclaimed Property Division. The Claims
8 Administrator shall also compile a list of the Participating Class Members for whom their funds
9 were deposited with the California State Controller's Office's Unclaimed Property Division. In
10 such event, the Participating Class Member shall nevertheless remain bound by the Settlement.
11 The Parties agree that good cause exists for the Court to approve this distribution because the
12 unclaimed funds are unclaimed wages of employees that will be held by the State of California
13 for the benefit of these employees, who may request receipt of payment from the California
14 State Controller's Office's Unclaimed Property Division.
15

16 3.26. Class Representative Enhancement Award. Defendant agrees not to oppose or
17 object to any application or motion by Plaintiff for a Class Representative Enhancement Award,
18 not to exceed One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) for Plaintiff
19 Ariel Lozano, as consideration for Plaintiff's time and effort in bringing and prosecuting this
20 matter. The Class Representative Enhancement Award shall be paid to Plaintiff from the Gross
21 Settlement Amount no later than fifteen (15) calendar days after the Gross Settlement Amount
22 is fully funded. The Claims Administrator shall issue an IRS Form 1099 — MISC to Plaintiff
23 for her Class Representative Enhancement Award. Plaintiff shall be solely and legally
24 responsible for payment of all applicable taxes on their Class Representative Enhancement
25 Award and shall hold Defendant harmless from any claim or liability for taxes, penalties, or
26 interest arising as a result of the Class Representative Enhancement Award. The Class
27 Representative Enhancement Award shall be in addition to Plaintiff's Individual Settlement
28 Payment as a Participating Class Member. In the event that the Court awards lesser amounts

1 than the Class Representative Enhancement Awards requested, then any portion of the requested
2 amounts not awarded to Plaintiff shall be added to the Net Settlement Amount. Plaintiff shall
3 not have the right to revoke their agreement to the Settlement on the grounds the Court did not
4 approve any or all of her request for a Class Representative Enhancement Award.

5 3.27. Class Counsel Award and Costs. Defendant agrees not to oppose or object to any
6 application or motion by Class Counsel for a Class Counsel Award not to exceed Fifteen
7 Thousand Dollars and Zero Cents (\$15,000.00) and Class Counsel Costs not to exceed Twelve
8 Thousand Dollars and Zero Cents (\$12,000.00) from the Gross Settlement Amount. The Class
9 Counsel Award and Class Counsel Costs shall be paid no later than fifteen (15) calendar days
10 after the Gross Settlement Amount is fully funded. Class Counsel shall be solely and legally
11 responsible to pay all applicable taxes on the payments made pursuant to this paragraph. The
12 Claims Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments
13 made pursuant to this paragraph. This Settlement is not contingent upon the Court awarding
14 Class Counsel any particular amount in attorneys' fees and costs. Any amount requested by
15 Class Counsel for the Class Counsel Award and Class Counsel Costs and not granted by the
16 Court shall be part of the Net Settlement Amount.

17 3.28. PAGA Settlement Allocation. Subject to Court approval, the Parties shall allocate
18 a total of Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) from the Gross
19 Settlement Amount for the compromise of claims for civil penalties brought under the PAGA
20 (the "PAGA Allocation"). Per California Labor Code section 2699(i), One Thousand Eight
21 Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-five percent
22 (75%) of the PAGA Allocation, will be paid to California's Labor Workforce Development
23 Agency. The remaining Six Hundred Twenty-Five Dollars and Zero Cents (\$625.00),
24 representing twenty-five percent (25%) of the PAGA Allocation, shall be part of the Net
25 Settlement Amount to be distributed to Similarly Aggrieved Employee.

26 3.29. LWDA PAGA Allocation. The LWDA PAGA Allocation shall be One Thousand
27 Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-five
28

1 percent (75%) of the PAGA Settlement Allocation, and shall be paid to California's Labor
2 Workforce Development Agency from the Gross Settlement Amount by the Claims
3 Administrator no later than fifteen (15) calendar days after the Gross Settlement Amount is fully
4 funded. .

5 3.30. Defendant's Option to Terminate Settlement. If, after the Response Deadline and
6 before the Final Approval Hearing, five percent (5%) or more of the number of Settlement Class
7 Members submit timely and valid Requests for Exclusion from the Settlement, Defendant shall
8 have, in its sole discretion, the option to terminate this Settlement. Defendant shall exercise its
9 option to terminate, if it wishes, prior to the Final Approval Hearing. If Defendant decides to
10 void the Settlement, then the Settlement and conditional class certification shall be considered
11 void, and neither the Settlement, conditional class certification, nor any of the related
12 negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the
13 same position, without prejudice, as if this Settlement had been neither entered into nor filed
14 with the Court. Should Defendant void the Settlement under this paragraph, it shall be
15 responsible for all Claims Administration Costs.
16

17 3.31. Claims Administration Costs. The Claims Administrator shall be paid for the costs
18 of administration of the Settlement from the Gross Settlement Amount. Such costs of
19 administration are not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00), unless the
20 court approves a higher amount. No fewer than twenty (20) days prior to the Final Approval
21 Hearing, the Claims Administrator shall provide the Parties with a statement detailing the costs
22 of administration. The Claims Administrator, on Defendant's behalf, shall have the authority
23 and obligation to make payments, credits and disbursements, including payments and credits in
24 the manner set forth in this Settlement, to Participating Class Members, calculated in accordance
25 with the methodology set out in this Settlement and orders of the Court. The Parties agree to
26 cooperate in the administration of the Settlement and to make all reasonable efforts to control
27 and minimize the costs and expenses incurred in administration of the Settlement. The Parties
28 each represent they do not have any financial interest in the Claims Administrator or otherwise

1 have a relationship with the Claims Administrator that could create a conflict of interest. The
2 Claims Administrator shall be responsible for: processing and mailing all court-approved
3 payments to the Plaintiffs, Class Counsel, Participating Class Members, and the LWDA;
4 printing and mailing the Notice Packets to the Settlement Class Members as called for in this
5 Settlement and ordered by the Court; receiving and reporting Notice of Objections and Requests
6 for Exclusion submitted by Settlement Class Members; providing declaration(s) as necessary in
7 support of preliminary and/or final approval of this Settlement; and other tasks as the Parties
8 mutually agree or the Court orders the Claims Administrator to perform. The Claims
9 Administrator shall keep the Parties timely apprised of the performance of all Claims
10 Administrator responsibilities. Any legally mandated tax reports, tax forms, tax filings, or other
11 tax documents required by administration of this Settlement shall be prepared by the Claims
12 Administrator. Any expenses incurred in connection with such preparation shall be Claims
13 Administration Costs. The Claims Administrator shall be paid the Claims Administration Costs
14 from the Gross Settlement Amount no later than fifteen (15) calendar days after the Gross
15 Settlement Amount is fully funded.

16
17 3.32. Final Approval Hearing. At a reasonable time following the Response Deadline,
18 the Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and
19 the Court shall determine amounts properly payable for (i) the Class Counsel Award, (ii) the
20 Class Counsel Costs, (iii) the Class Representative Enhancement Awards, (iv) the LWDA
21 PAGA Allocation; and (v) the Claims Administration Costs.

22 3.33. Entry of Final Judgment. If the Court approves this Settlement at the Final
23 Approval Hearing, the Parties shall request that the Court enter the Final Judgment after the
24 Gross Settlement Amount has been fully funded, with the Court retaining jurisdiction over the
25 Parties to enforce the terms of the judgment. If the Court grants final approval to the Settlement,
26 notice of Final Approval shall be posted on the Settlement Administrator's website, at
27 www.phoenixclassaction.com.

28 3.34. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Participating

1 Class Members pursuant to this Settlement will not count as earnings or compensation for
2 purposes of any benefits (e.g., pensions or retirement plans) sponsored by Defendant. It is
3 expressly understood and agreed that the receipt of Individual Settlement Amount shall not
4 entitle any Participating Class Member to additional compensation or benefits under any
5 collective bargaining agreement or under any bonus, contest or other compensation or benefit
6 plan or agreement in place during the period covered by the Settlement, nor shall it entitle any
7 Participating Class Member to any increased pension and/or retirement, or other deferred
8 compensation benefits. It is the intent of the Parties that Individual Settlement Amounts
9 provided for in this Stipulation are the sole payments to be made by Defendant to Participating
10 Class Members in connection with this Settlement, with the exception of Plaintiffs, and that the
11 Participating Class Members are not entitled to any new or additional compensation or benefits
12 as a result of having received the Individual Settlement Awards. Furthermore, the receipt of
13 Individual Settlement Amounts by Participating Class Members shall not, and does not, by itself
14 establish any general, special, or joint employment relationship between and among the
15 Participating Class Member(s) and Defendant.
16

17 3.35. Nullification of Settlement. In the event: (i) the Court does not enter the
18 Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of
19 the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided
20 herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall
21 be null and void and any order or judgment entered by the Court in furtherance of this Settlement
22 shall be treated as void from the beginning. In such a case, the Parties and any funds to be
23 awarded under this Settlement shall be returned to their respective statuses as of the date and
24 time immediately prior to the execution of this Settlement, and the Parties shall proceed in all
25 respects as if this Settlement had not been executed, except that any costs and fees already
26 incurred by the Claims Administrator shall be paid jointly by the Parties. In the event an appeal
27 is filed from the Court's Final Judgment, or any other appellate review is sought, administration
28 of the Settlement shall be stayed pending final resolution of the appeal or other appellate review,

1 and any other payments required hereunder by Defendant will not be paid pending the
2 completion and final resolution of the appeal, and any payment thereafter will: (1) occur only if
3 the Order Granting Final Approval is upheld after all appeals; and (2) be in a manner that is
4 provided for in the Settlement and in the Order Granting Final Approval.

5 3.36. No Admission by the Parties. Defendant denies any and all claims alleged in this
6 Action and deny all wrongdoing whatsoever. This Settlement is not a concession or admission,
7 and shall not be used against Defendant as an admission or indication, with respect to any claim,
8 of any fault, concession, or omission by Defendant. Neither this Settlement, nor any of its terms
9 and conditions, nor any of the negotiations connected with it, is a concession or admission, and
10 none shall be used against Defendant as an admission or indication with respect to any claim of
11 any fault, concession, or omission by Defendant or that class certification is proper under the
12 standard applied to contested certification motions. The Parties stipulate and agree to the
13 certification of the proposed class for settlement purposes only. The Parties further agree that
14 this Settlement will not be admissible in this or any other proceeding as evidence that either: (i)
15 a class action should be certified or (ii) Defendant is liable to Plaintiff or any Class Member,
16 other than according to the terms of this Settlement.

17 3.37. Dispute Resolution. Except as otherwise set forth herein, all disputes concerning
18 the interpretation, calculation or payment of settlement claims, or other disputes regarding
19 compliance with this Settlement shall be resolved as follows:
20

21 3.38. If Plaintiff or Class Counsel, on behalf of Plaintiff or any Settlement Class
22 Members, or Defendant, at any time believe that the other Party or Parties have breached or
23 acted contrary to the Settlement, that Party shall notify the other Party or Parties in writing of
24 the alleged violation. Upon receiving notice of the alleged violation or dispute, the responding
25 Party shall have ten (10) days to correct the alleged violation and/or respond to the initiating
26 Party with the reasons why the Party disputes all or part of the allegation.

27 3.38.1. If the response does not address the alleged violation to the initiating
28 Party's satisfaction, the Parties shall negotiate in good faith for up to ten

(10) days to resolve their differences.

3.38.2. If thereafter, the Parties still cannot resolve the dispute, the Parties shall utilize the services of Hon. Peter Lichtman (Mediator) in a good-faith attempt to mediate and resolve the dispute.

3.38.3. If the Parties are unable to resolve their differences after twenty (20) days, either Party may file an appropriate motion for enforcement with the Court.

3.39. Exhibits and Headings. The terms of this Settlement include the terms set forth in Exhibits A and B, which are attached to this Settlement and incorporated by this reference as though fully set forth in this paragraph. Any Exhibits to this Settlement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Settlement are inserted for convenience of reference only and do not constitute a part of this Settlement.

3.40. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action and thereafter implement and complete the Settlement.

3.41. Amendment or Modification. This Settlement may be amended or modified only by a written instrument signed by all the Parties and counsel for all Parties or their successors-in-interest.

3.42. Entire Settlement. This Settlement and any attached Exhibits constitute the entire agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Settlement or its exhibits, other than the representations, warranties and covenants contained and memorialized in the Settlement and its exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

3.43. Authorization to Enter into Settlement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required

1 to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each
2 other and use their best efforts to affect the implementation of the Settlement. In the event the
3 Parties are unable to reach agreement on the form or content of any document needed to
4 implement the Settlement, or on any supplemental provisions that may become necessary to
5 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve
6 such disagreement. The person signing this Settlement on behalf of Defendant Q-Flex, Inc.
7 represents and warrants that he or she is authorized to sign this Settlement on behalf of
8 Defendant Q-Flex, Inc. Plaintiff Ariel Lozano represents and warrants that she is authorized to
9 sign this Settlement and that she has not assigned any claim, or part of a claim, covered by this
10 Settlement to a third-party.

11 3.44. Binding on Successors and Assigns. This Settlement shall be binding upon, and
12 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

13 3.45. No Prior Assignments. The Parties and their counsel represent, covenant, and
14 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
15 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
16 demand, action, cause of action or right herein released and discharged.

17 3.46. California Law Governs. All terms of this Settlement and the exhibits hereto shall
18 be governed by and interpreted according to the laws of the State of California.

19 3.47. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
20 Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
21 Settlement after extensive arms-length negotiations, taking into account all relevant factors,
22 present and potential.

23 3.48. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h),
24 the Parties agree that the Court shall retain jurisdiction with respect to the interpretation,
25 implementation, and enforcement of the terms of this Settlement and all orders and judgments
26 entered in connection therewith, and the Parties and their counsel hereto submit to the
27 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing this
28

1 Settlement and all orders and judgments entered in connection therewith.

2 3.49. Invalidity of Any Provision. Before declaring any provision of this Settlement
3 invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent
4 possible, consistent with applicable precedents.

5 3.50. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
6 class certification for purposes of this Settlement only.

7 3.51. Cooperation. The Parties agree to cooperate fully with one another to accomplish
8 and implement the terms of this Settlement. Such cooperation shall include, but not be limited
9 to, execution of such other documents and the taking of such other action as may be reasonably
10 necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall use their
11 best efforts, including all efforts contemplated by this Settlement and any other efforts that may
12 become necessary by Court order, or otherwise, to effectuate this Settlement and its terms.

13 3.52. Publicity. Plaintiff and Class Counsel agree that they will not issue any press
14 releases, initiate any contact with the press, respond to any press inquiry, or have any
15 communication with the press about the Action and/or the fact, amount, or terms of the
16 Settlement. However, for marketing purposes, Class Counsel may refer to the settlement amount
17 and the nature of the case without identifying any of the Parties directly or indirectly. Before the
18 date of the filing of the motion for preliminary approval of the Settlement, Plaintiff and Class
19 Counsel will not initiate any contact with Settlement Class Members about the Settlement,
20 except that: (a) Class Counsel, if contacted by a Settlement Class Member, may respond that a
21 settlement has been reached and that the details will be communicated in a forthcoming Court-
22 approved notice; and (b) Plaintiff, if contacted by a Settlement Class Member, may respond only
23 that the Settlement Class Member should contact Class Counsel. Neither Plaintiff nor Class
24 Counsel shall hold a press conference or otherwise seek to affirmatively contact the media about
25 the Settlement. If contacted by the media regarding the Settlement, Class Counsel shall state, "It
26 is a fair settlement, and we are happy with the results." Additionally, no Party or their counsel
27 shall disparage the Settlement. Nothing in this paragraph shall prevent Class Counsel from
28

1 carrying out their duties.

2 3.53. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
3 and conditions of this Settlement. Accordingly, this Settlement will not be construed more
4 strictly against one party than another merely by virtue of the fact that it may have been prepared
5 by counsel for one of the Parties, it being recognized that, because of the arm's-length
6 negotiations between the Parties, all Parties have contributed to the preparation of this
7 Settlement.

8 3.54. Representation by Counsel. The Parties acknowledge that they have been
9 represented by counsel throughout all negotiations that preceded the execution of this
10 Settlement, and that this Settlement has been executed with the consent and advice of counsel,
11 and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are
12 no liens on the Settlement Agreement.

13 3.55. All Terms Subject to Final Court Approval. All amounts and procedures described
14 in this Stipulation are subject to final Court approval.

15 3.56. Notices. Unless otherwise specifically provided, all notices, demands or other
16 communications in connection with this Settlement shall be: (1) in writing; (2) deemed given
17 on the third business day after mailing; and (3) sent via United States registered or certified mail,
18 return receipt requested, addressed as follows:
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To Plaintiffs:

Kevin Mahoney, Esq.
kmahoney@mahoney-law.net
Berkeh Alemzadeh, Esq.
balem@mahoney-law.net
MAHONEY LAW GROUP, APC
249 East Ocean Boulevard, Suite 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

To Defendants:

Gopal S. Patel (SBN: 127070)
gpatel@pindlelaw.com
**PRINDLE, GOETZ, BARNES &
REINGHOLTZ, LLP**
310 Golden Shore, 4th Floor
Long Beach, CA 90802
Telephone: (562) 436-3946
Facsimile: (562) 495-0564

3.57. Execution by Settlement Class Members. It is agreed that it is impossible or impractical to have each Settlement Class Member execute this Settlement. The Notice of Settlement will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if each Settlement Class Member executed this Settlement.

3.58. Execution by Plaintiff and Defendants. Plaintiff and Defendant, by signing this Settlement, are bound by the terms herein.

3.59. Fair, Adequate and Reasonable Settlement. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any of the Parties by reason of their participation in the drafting of this Settlement.

3.60. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

3.61. Counterparts. This Settlement shall become effective upon its execution by all of the undersigned. Plaintiff, Class Counsel, Defendants, and Defense Counsel may execute this Settlement in counterparts, and execution of counterparts shall have the same force and effect as if each had signed the same instrument. Copies of the executed Settlement shall be effective

1 for all purposes as though the signatures contained therein were original signatures.

2
3 Dated: August 1, 2022

By:

Ariel Lozano

4 Ariel Lozano

5
6 Dated: August 1, 2022

By:

7 Defendant Q-Flex, Inc.

1 for all purposes as though the signatures contained therein were original signatures.
2

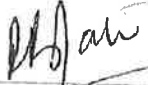
3 Dated: August 1, 2022

By: _____

Ariel Lozano

5
6 Dated: August 1, 2022

By: _____


Defendant Q-Flex, Inc.