

Kevin Mahoney (SBN: 235367)
kmahoney@mahoney-law.net
Berkeh Alemzadeh(SBN: 324834)
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
Attorneys for Plaintiff ARIEL LOZANO, as an individual and on behalf of all employees similarly situated,

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
Attorneys for Defendant Q-FLEX, INC.

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

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

Assigned for all purposes to:
Hon. Lon F. Hurwitz, Dept. CX103

Complaint Filed: May 26, 2020
Trial Date: None Yet Set

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

IT IS HEREBY STIPULATED, by and among Plaintiff ARIEL LOZANO, on behalf of himself and the 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 Fifth 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. “Settlement Administrator” means Phoenix Class Action Administration Solutions.

1.3. “Settlement Administration Costs” means the amount to be paid to the third-party Settlement 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 Participating Class Members

that Defendant Q-Flex Inc. will in good faith compile from its records and provide to the Settlement Administrator. Class Information shall be provided as a Microsoft Excel spreadsheet and shall include: each Settlement Class Member's full name; last known address; last four (4) digits of social security number; employee identification number; and the total number of workweeks each Settlement Class Member worked for Defendant Q-Flex, Inc., during the Class Period.

1.8. "Class Member," "Settlement Class Member," or "Settlement Class," shall mean Plaintiff and all non-exempt hourly employees, currently and formerly employed by Defendant in the State of California during the Class Period.

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

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

1.11. "Court" means the Superior Court of the State of California for the County of Orange.

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

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

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

1.15. "Employee" means Plaintiff Ariel Lozano.

1.16. “Employer” means Defendant Q-Flex, Inc., and all of their current and former parents, owners, subsidiaries, predecessors and successors, and each of their respective officers, directors, partners, shareholders and agents, and any other successors, assigns, or legal representatives.

1.17. “Employee Taxes” means the employee’s share of any and all applicable federal, state, and local payroll taxes on the portion of Participating Class Members’ Individual Settlement Payment that constitutes wages. The Employee Taxes will be paid out of the Net Settlement Amount.

1.18. “Employer Taxes” means the employer’s share of any and all applicable federal, state, and local payroll taxes on the portion of Participating Class Members’ Individual Settlement Payment that constitutes wages. The Employer Taxes will be paid separately by the Employer and shall not be paid out of the Gross Settlement Amount.

1.19. “Final Approval Hearing” means the hearing held by the Court, pursuant to class action procedures and requirements, on the motion for final approval of the Settlement.

1.20. “Final Approval Date” means the date, which the Court grants final approval of the Settlement.

1.21. “Final Judgment” means the Court’s entry of an order of judgment in this Action following the Court’s final approval of the Settlement.

1.22. “Gross Settlement Amount” means the maximum amount Defendant shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement Amounts to Participating Class Members, Class Counsel Award, Class Counsel Costs, Settlement Administrator Costs, Class Representative Enhancement Award, Employee Taxes, and PAGA Allocation. Subject to Court approval and the terms of this Settlement, the Gross Settlement Amount Defendant shall be required to pay is Forty-Five Thousand Dollars and Zero Cents (\$45,000.00). No portion of the Gross Settlement Amount will revert to Defendant, and the Settlement does not require Participating Class Members to submit claims as a prerequisite to receiving their Individual Settlement Payment. This settlement sum is based on Defendant’s representation that the class size is approximately twenty-seven (27)

1 individuals. Defendant shall not be required to pay more than the Gross Settlement Amount, as
2 long as the class size does not increase by more than ten (10) percent (i.e., if the class size
3 increases to eleven (11) percent, the Settlement Agreement shall increase proportionately, i.e.,
4 by eleven percent of the Gross Settlement Amount), and so forth. Under no other circumstances
5 shall Defendant be required to pay more than the Gross Settlement Amount except as provided
6 for in this Settlement.

7 1.23. “Individual Settlement Payment” means the amount payable to each Participating
8 Class Member, as calculated pursuant to Paragraphs 3.21-3.22 of the Settlement, from the Net
9 Settlement Amount. Checks for Individual Settlement Payments will specifically indicate that
10 they are void if not negotiated within one hundred eight (180) days of their issuance.

11 1.24. “LWDA PAGA Allocation” The LWDA PAGA Allocation shall be One
12 Thousand Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-
13 five percent (75%) of the PAGA Settlement Allocation, and shall be paid to California’s Labor
14 Workforce Development Agency from the Gross Settlement Amount.

15 1.25. “Net Settlement Amount” means the Gross Settlement Amount, less (i) the Class
16 Representative Payment approved by the Superior Court (not to exceed \$1,500.00); (ii) the Class
17 Counsel Fees Payment approved by the Superior Court (not to exceed \$15,000); (iii) the Class
18 Counsel Litigation Expenses Payment approved by the Superior Court (not to exceed \$12,000.00)
19 (iv) the PAGA payment approved by the Superior Court (\$1,875.00); (v) the Settlement
20 Administrator Payment approved by the Superior Court (not to exceed \$5,000), (vi) any other
21 fees or expenses (other than Class Counsel Fees Payment and Class Counsel Litigation Expenses
22 Payment) incurred by implementing the terms and conditions of this Agreement as approved by
23 the Superior Court.

24 1.26. “Non-Participating Class Member” shall mean a Class Member who submits a
25 complete, valid and timely request to be excluded from the Settlement pursuant to the instructions
26 provided in the Class Notice and/or who has signed a release with Defendants to resolve any
27 claims as alleged in the Action. Even if a Class Members submits a valid and timely request to be
28 excluded from the Settlement, if the Class Member worked during the PAGA period, the Class

Members shall be considered an “Aggrieved Employee” for purposes of a PAGA Settlement Payment and shall be entitled to receive an Individual PAGA Settlement Payment and will be deemed to have released all claims for civil penalties under PAGA as alleged in the operative complaint and as alleged in the Notice to the LWDA on April 27, 2020.

1.27. “Notice of Objection” means a the completed Objection Form (attached hereto as Exhibit C or 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.

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

1.29. “Notice Packet” means the Notice of Proposed Class Action Settlement, Notice of Estimated Individual Settlement Payment, and the Request for Exclusion.

1.30. “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.

1.31. “Participating Class Members” means all Class Members who do not submit a valid and timely Request for Exclusion.

1.32. “Parties” means Plaintiff and Defendant collectively, and “Party” shall mean any Plaintiff or any Defendant, individually.

1.33. “Plaintiff” means Ariel Lozano.

1 1.34. “Plaintiff’s General Release” means, in addition to the releases made by
2 Participating Class Members, Plaintiff, on behalf of himself, his heirs, successors, assigns,
3 executors, trustees, and estates, in exchange for the terms and conditions of this Agreement,
4 including the Class Representative Enhancement Award requested or as otherwise authorized by
5 the Court, shall also, as of the Effective Date, fully and forever release the Released Parties, to
6 the full extent permitted by law, of and from any and all claims arising from her employment with
7 Defendant, known and unknown, asserted and unasserted, which Plaintiff had or may have had
8 against the Released Parties, whether sounding in tort, in contract, in law, in equity or otherwise,
9 and including but not limited to all claims for violation of any local, state, or federal statute, rule,
10 or regulation.

11 1.35. “Preliminary Approval Date” means the date the Court enters the Preliminary
12 Approval Order for the Settlement.

13 1.36. “Preliminary Approval Order” means the Proposed Order (filed concurrently with
14 this Settlement) for preliminary approval of the Settlement, as amended by the Court.

15 1.37. “Released Class Claims” means all claims, that were alleged, or reasonable could
16 have been alleged, and as stated in the operative Complaint, and ascertained in the in this
17 action, including, but not limited to, all wage and hour claims for unpaid wages including
18 minimum wage payments, failure to pay wages during employment, failure to pay overtime,
19 failure to pay wages upon termination, , meal and rest break violations, wage statement violations
20 and penalties, waiting time penalties, reimbursement, restitution and other equitable relief,
21 disgorgement, conversion, unjust enrichment, civil and statutory penalties, interests, liquidated
22 damages, punitive damages, attorneys’ fees and costs, claims under California Labor Code
23 sections 201-203, 226, 226.7, 510, 512, 1174, and 1194, Industrial Welfare Commission Wage
24 Order No. 1, claims under California Business & Professions Code sections 17200-17204, as
25 asserted in the Action. This release shall apply to all class claims arising at any point between
26 May 26, 2016 through the date the Court grants Preliminary Approval of the Settlement.
27 Participating Class Members who do not wish to participate in the Class Settlement shall have
28 the option to “opt-out.”

1.38. Released PAGA Claims” means all claims that were alleged, in the operative Complaint, as well as the notice to the LWDA on April 27, 2020 for civil penalties pursuant to Private Attorneys General Act (“PAGA”), including but not limited to unpaid wages including minimum wage payments, failure to pay wages during employment, failure to pay overtime, failure to pay wages upon termination, meal and rest break violations, wage statement violations and penalties, waiting time penalties, reimbursement, attorneys’ fees and costs. This release shall apply to all claims under PAGA arising at any point between April 27, 2020 through the date the Court grants Preliminary Approval of the Settlement. Similarly Aggrieved Employees shall not be able to “opt-out” from the PAGA release.

1.39. “Released Parties” means Q-Flex, Inc., and all of its current, former, and future parents, owners, subsidiaries, predecessors and successors, agents, employees, officers, directors, shareholders, agents, and any other successors or assigns.

1.40. “Request for Exclusion” means a Settlement Class Member’s completed Request for Exclusion form to opt out of the Settlement in the form substantially similar to that attached hereto as **Exhibit B**.

1.41. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Notice Packets to Class Members, and shall be the last date on which Class Members may: (a) postmark Requests for Exclusion from the Settlement, or (b) postmark Objections to the Settlement.

1.42. “Settlement” means the terms of this Stipulation of Class Action Settlement and Release.

1.43. “Similarly, Aggrieved Employees” means all non-exempt employees, currently and formerly employed by Defendant in the State of California during the period April 27, 2020, through the date the Court grants Preliminary Approval of the Settlement, (“PAGA Period”).

1.44. RECITALS

2.1. Class Certification. The Parties stipulate and agree to the certification of this Action for purposes of this Settlement only. Should the Settlement not become final and effective, class certification shall immediately be set aside (subject to further proceedings on motion of any

party to certify or deny certification thereafter), the Settlement shall be deemed null and void, and will be of no force or effect whatsoever, and will not be referred to or utilized for any purpose whatsoever. The Parties' willingness to stipulate to class certification as part of the Settlement shall have no bearing on and shall not be admissible in or considered in connection with, the issue of whether a class should be certified in a non-settlement context in this Action, and shall have no bearing on and shall not be admissible or considered in connection with the issue of whether a class should be certified in any other lawsuit.

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

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

Counsel has vigorously prosecuted this Class Action, and Defendant has vigorously defended it. The Parties have engaged in sufficient discovery and investigation to assess the relative merits of the claims and contentions of the Parties. Based on this information and the settlement discussions during the mediation conducted at arm's length and settlement discussions, the Parties came to an agreement October 16, 2020. The settlement is the result of an informed and detailed evaluation of the potential liability of total exposure in relation to the costs and risks associated with continued litigation of the Action.

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

2.5. Defendant's Denial of Wrongdoing and Liability and Reasons for Settlement. Defendant contends that the Participating Class Members were properly and timely paid all wages owed, including, but not limited to, all straight time and overtime, were properly reimbursed, and were provided meal and rest periods as required under California law. However, Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of time, energy and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff and Participating Class Members. Defendant has also taken into account the risks of further litigation in reaching their decision to enter into this Settlement. Nonetheless, Defendant has

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

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

28 2.7. Participating Class Members' Released Class Claims. Plaintiff claims that the

Released Class Claims have merit and give rise to liability on the part of Defendant. This Settlement is a compromise 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 Participating 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 Participating 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 Participating Class Members.

3.2.1. Release as All Participating Class Members. As of the Effective Date, all Participating Class Members, including Plaintiff, who do not opt out of the Settlement, will be deemed to have fully, finally and

1 forever released, settled, compromised, relinquished, and discharged
2 the Released Parties from the Released Class Claims for the period of
3 May 26, 2016, to the Preliminary Approval Date. Participating Class
4 Members, including Plaintiff, who do not opt out of the Settlement will
5 be deemed to have released any further attempt, by lawsuit,
6 administrative claim or action, arbitration, demand, or other action of
7 any kind by each and all of the Participating Class Members (including
8 participation to any extent in any class or collective action), to obtain
9 recovery against the Defendant that is reasonably related to the
10 Released Class Claims for harms arising during the Class Period.

11 3.2.2. Release as All Similarly Aggrieved Employees. As of the Effective
12 Date, all Similarly Aggrieved Employees, including Plaintiff and
13 Plaintiff on behalf of the LWDA, will be deemed to have fully, finally
14 and forever released, settled, compromised, relinquished, and
15 discharged the Released Parties from the Released PAGA Claims for
16 the period of May 27, 2020, to the Preliminary Approval Date.

17 3.2.3. Release as To Plaintiff. As of the Effective Date, Plaintiff will be
18 deemed to have fully, finally and forever released, settled,
19 compromised, relinquished, and discharged any and all of Plaintiff's
20 General Release against the Released Parties. With respect to the
21 Plaintiff's General Release only, Plaintiff shall be deemed to have, and
22 by operation of the Final Judgment shall have, expressly waived and
23 relinquished, to the fullest extent permitted by law, the provisions,
24 rights, and benefits of section 1542 of the California *Civil* Code, or any
25 other similar provision under federal or state law, which section
26 provides:
27
28

A general release does not extend to claims which the creditor does not

1 *know or suspect to exist in his or her favor at the time of executing the*
2 *release, which if known by him or her must have materially affected his or*
3 *her settlement with the debtor.*

4 Plaintiff may hereafter discover facts in addition to or different from those they
5 now know or believe to be true with respect to the subject matter of the Plaintiff's General
6 Release, but upon the Effective Date, shall be deemed to have, and by operation of the Final
7 Judgment shall have, fully, finally, and forever settled and released any and all of the Plaintiff's
8 General Release, whether known or unknown, suspected or unsuspected, contingent or non-
9 contingent, which now exist, or heretofore have existed, upon any theory of law or equity now
10 existing or coming into existence in the future, including, but not limited to, conduct that is
11 negligent, intentional, with or without malice or a breach of any duty, law or rule, without regard
12 to the subsequent discovery or existence of such different or additional facts. Plaintiff agrees not
13 to sue or otherwise make a claim against any of the Released Parties for Plaintiffs' General
14 Release.
15

16 3.3. Release as to Defendant: Pursuant to this Agreement, Defendant and Released
17 Parties and on behalf of their agents, representatives, , insurers, assigns, and/or anyone acting
18 on their respective behalf, and in consideration of the promises, assurances, and covenants set
19 forth in this Agreement, hereby fully release the Employee and Employee's heirs, agents,
20 representatives, assigns, executors, and/or anyone on Employee's behalf (collectively, the
21 Employee Released Parties") from all claims or causes of action by reason of any injuries and/or
22 damages or losses, known or unknown, foreseen or unforeseen, patent or latent, which the
23 Company has sustained or which may be sustained as a result of any facts and circumstances
24 arising out of or in any way related to Employee's employment with the Company, and to any
25 other disputes, claims, disagreements, or controversies, between the Parties up to and including
26 the date of this Agreement is signed.

27 3.4. Tax Liability. The Parties understand and agree that the Parties are not providing
28 tax or legal advice. Participating Class Members will remain responsible for any Employee

1 Taxes. Participating Class Members will assume any employee tax obligations or consequences
2 that may arise from this Settlement and should consult with a tax expert if they have questions.
3 However, Individual Settlement Payments will be allocated as follows: twenty percent (20%) as
4 wages (a W-2 will be issued) and eighty percent (80%) as interest and penalties (a 1099 will be
5 issued). Any required payroll deductions will be based on this apportionment. The Parties agree
6 that, in the event that any taxing body determines that additional employee taxes are due from
7 any Participating Class Member, such Participating Class Member assumes all responsibility
8 for the payment of such taxes.

9 3.5. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision
10 of this Settlement, and no written communication or disclosure between or among the Parties,
11 Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any
12 such communication or disclosure constitute or be construed or be relied upon as, tax advice
13 within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
14 amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own,
15 independent legal and tax counsel for advice (including tax advice) in connection with this
16 Settlement, (b) has not entered into this Settlement based upon the recommendation of any other
17 party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any
18 communication or disclosure by any attorney or advisor to any other party to avoid any tax
19 penalty that may be imposed on the acknowledging party; and (3) no attorney or advisor to any
20 other party has imposed any limitation that protects the confidentiality of any such attorney's or
21 adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure
22 by the acknowledging party of the tax treatment or tax structure of any transaction, including
23 any transaction contemplated by this Settlement.
24

25 3.6. Settlement Approval and Implementation Procedures. As part of this Settlement,
26 the Parties agree to the following procedures for obtaining the Court's preliminary approval of
27 the Settlement, certifying the Settlement Class, notifying Participating Class Members of the
28 Settlement, obtaining the Court's final approval of the Settlement, and processing the Individual

1 Settlement Payments.

2 3.7. Preliminary Approval and Certification. As soon as practicable after execution of
3 this Settlement, but no later than thirty (30) days, the Parties will jointly submit this Settlement
4 to the Court for its preliminary approval. Such submission will include this Settlement, the
5 proposed Notice Packet, the proposed Preliminary Approval Order, and any, memoranda and
6 evidence as may be necessary for the Court to determine that this Settlement is fair, adequate,
7 and reasonable. The Parties agree to request the Court to enter an order conditionally certifying
8 the Settlement Class after the preliminary approval hearing, in accordance with California Rules
9 of Court, Rule 3.769(c).

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

22 3.9. Notice by First Class U.S. Mail. Upon receipt of the Class Information, the
23 Settlement Administrator will perform a search on the National Change of Address database to
24 update the Participating Class Members' addresses. No more than ten (10) calendar days after
25 receiving the Class Information from Defendants, as provided herein, the Settlement
26 Administrator shall mail copies of the Notice Packet to all Participating Class Members by
27 regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to
28

determine the current mailing address for each Settlement Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class Member.

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

3.11. For each Settlement Class Member whose Notice Packet is returned, there will be one (1) skip trace by the Settlement Administrator. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member. One (1) supplemental Notice Packet shall be mailed to each Settlement Class Member whose original Notice Packet is returned as undeliverable to the Settlement Administrator. Such re-mailing shall be made within five (5) business days of the Settlement Administrator receiving notice that the respective Notice Packet was undeliverable. Any requests by the Settlement Administrator for documents or information from Defendant must be responded to within a reasonable amount of time by counsel for Defendant. It is the intent of the Parties that reasonable means be used to locate the Participating Class Members and apprise them of their rights.

3.12. Participating Class Members to whom Notice Packets are resent after having been returned undeliverable to the Settlement Administrator, during the entire Response Deadline, shall have an additional fourteen (14) calendar days from the date of re-mailing, or until the sixty (60) day Response Deadline has expired, whichever is later, to mail the Request for Exclusion or a Notice of Objection. Notice Packets that are resent shall inform the recipient of this adjusted deadline. The date of the postmark on the return envelope shall be the exclusive means used to determine whether a Settlement Class Member has returned his or her Request for Exclusion on or before the adjusted deadline. It will be conclusively presumed that if an envelope so mailed has not been returned within twenty (20) days of the mailing, that the Settlement Class Member received the Notice Packet, and it will be presumed that it was received. Notices however that are returned within forty-five (45) days will be remailed. If a

1 Settlement Class Member's Notice Packet is returned to the Settlement Administrator more than
2 once as undeliverable, then an additional Notice Packet shall not be re-mailed. Nothing further
3 shall be required of, or done by, the Parties, Class Counsel, or Defendants' Counsel to provide
4 notice of the proposed Settlement.

5 3.13. Compliance with the procedures specified in paragraphs 3.9-3.12 of this
6 Settlement shall constitute due and sufficient notice to Participating Class Members of this
7 Settlement and shall satisfy the requirement of due process. In the event the procedures set forth
8 herein are followed and the intended recipient of a Notice Packet still does not receive the Notice
9 Packet, the intended recipient will be a participating Class Member and will be bound by all
10 terms of the Settlement and the Order Granting Final Approval entered by the Court. Nothing
11 else shall be required of, or done by, the Parties, Class Counsel, and Defense Counsel to provide
12 notice of the proposed Settlement.

13 3.14. Disputes. Participating Class Members will have the opportunity during the sixty
14 (60) day response period, should they disagree with Defendant's records regarding their days
15 worked during the Class Period, to provide documentation and/or an explanation to show
16 contrary days worked. A space will be provided on the Notice of Settlement Payment for
17 Participating Class Members to raise such disputes. For a Class Member's dispute to be
18 considered, the Class Member must fully complete the Notice and timely return it to the
19 Settlement Administrator. Participating Class Members will have sixty (60) days after the date
20 the Notice Packet is mailed by the Settlement Administrator to mail in a dispute, including any
21 supporting evidence the Class Member may have. The date of the postmark of the return mailing
22 envelope shall be the exclusive means used to determine whether a dispute has been timely
23 submitted to the Settlement Administrator. If there is a dispute, the Settlement Administrator
24 will consult with the Parties to determine whether an adjustment is warranted. The Settlement
25 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement
26 Payments under the terms of this Settlement. The Settlement Administrator's determination of
27 the eligibility for and amount of any Individual Settlement Payment shall be binding upon the
28

1 Settlement Class Member and the Parties.

2 3.15. Exclusions (Opt-Outs). The Notice Packet shall state that Participating Class
3 Members who wish to exclude themselves from the Settlement must submit a Request for
4 Exclusion Form by the Response Deadline. The Request for Exclusion: (1) must contain the
5 name, address, and the last four (4) digits of the Social Security number of the Settlement Class
6 Member requesting exclusion/ or an Employee Identification Number, (2) must be signed by the
7 Settlement Class Member; and (3) must be postmarked by the Response Deadline and returned
8 to the Settlement Administrator at the specified address. If the Request for Exclusion does not
9 contain the information listed in (1)-(2), it will not be deemed valid for exclusion from this
10 Settlement. The date of the postmark on the return-mailing envelope shall be the exclusive
11 means used to determine whether a Request for Exclusion has been timely submitted. Any
12 Settlement Class Member who requests to be excluded from the Settlement will not be entitled
13 to any recovery under the Settlement and will not be bound by the terms of the Settlement.
14 Participating Class Members who receive a Notice Packet, but fail to submit a valid and timely
15 Request for Exclusion on or before the Response Deadline shall be bound by all terms of the
16 Settlement and any Final Judgment entered in this Action if the Settlement is approved by the
17 Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
18 members of the Settlement Class to submit Requests for Exclusion from the Settlement. Class
19 Counsel shall not represent any Settlement Class Member with respect to any such Requests for
20 Exclusion. Participating Class Members who submit a valid Request for Exclusion may not
21 also submit a Notice of Objection.
22

23 3.16. Objections. The Notice Packet shall state that Participating Class Members who
24 wish to remain Participating Class Members, but desire to object to the Settlement must not
25 submit a Request for Exclusion and must submit a written statement of objection (“Notice of
26 Objection”) by the Response Deadline to the Settlement Administrator. The Notice of Objection
27 must be signed by the Settlement Class Member and state: (1) the full name of the Settlement
28 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. The Notice of Objection must be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. Within five (5) days of receiving a notice of objection from a Settlement Class Member, the Settlement Administrator shall forward the notice of objection to Class Counsel and Defense Counsel. The Parties will thereafter lodge the Settlement Class Member's Notice of Objection with the Court. Participating Class Members, regardless of whether or not they submit a timely Notice of Objection, will have a right to appear at the Final Approval Hearing, with or without an attorney, in order to have their objections heard by the Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Participating Class Members to file or serve written objections to the Settlement or appeal from the Final Judgment. Class Counsel shall not represent any Participating Class Members with respect to any such objections.

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

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

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

1 Settlement becomes null and void.

2 3.20. No more than five (5) business days after the Gross Settlement Amount is fully
3 funded, the Settlement Administrator will provide the Parties with an accounting of all
4 anticipated payments from the Gross Settlement Amount. The Net Settlement Amount shall be
5 calculated by deducting from the Gross Settlement Amount payments for (1) Class
6 Representative Enhancement Awards, as specified in this Settlement and approved by the Court;
7 (2) Class Counsel Award, as specified in this Settlement and approved by the Court; (3) Class
8 Counsel Costs, as specified in this Settlement and approved by the Court; (4) Settlement
9 Administration Costs, as specified in this Settlement and approved by the Court; and (5) the
10 LWDA PAGA Allocation, as specified in this Settlement and approved by the Court. The Net
11 Settlement Amount shall be distributed in Individual Settlement Payments in accordance with
12 Paragraphs 3.21-3.22.

13 3.21. Individual Settlement Payments. Each Participating Class Member shall be
14 eligible to receive an Individual Settlement Payment, which is a share of the Net Settlement
15 Amount, based on the number of weeks worked by the Participating Class Member during the
16 Class Period, as a proportion of all weeks worked by all Participating Class Members during the
17 Class Period. Individual Settlement Payments shall be paid pursuant to the formula set forth in
18 Paragraph 3.22 below. Individual Settlement Payments shall be mailed by regular First-Class
19 U.S. Mail to Participating Class Members' last known mailing address no later than fifteen (15)
20 calendar days after the Gross Settlement Amount is fully funded. Individual Settlement
21 Payments will specifically indicate that they are void if not negotiated within one hundred eight
22 (180) days of their issuance. Individual Settlement Payments reflect settlement of a dispute
23 regarding wages, interest, and penalties. Individual Settlement Payments will be allocated as
24 follows: twenty percent (20%) as wages; and eighty percent (80%) as interest and penalties. The
25 "wage" portion of each Individual Settlement Payment will be reduced by Employee Taxes.
26 The Settlement Administrator shall issue the appropriate tax documents associated with the
27 Individual Settlement Payments, including an IRS Form W-2 for the amounts allocated as
28

1 “wages” and an IRS Form 1099 for the amounts allocated as “interest” or “penalties.”

2 3.22. Individual Class Settlement Payment Formula. After deducting the Class Counsel
3 Award and Class Counsel Costs, the LWDA PAGA Allocation, Class Representative
4 Enhancement Awards, and Settlement Administration Costs, the remaining funds (the “Net
5 Settlement Amount”), will be distributed as follows: The Settlement Administrator shall divide
6 the Net Settlement Amount by the total number of workweeks Participating Class Members
7 worked during the Class Period in order to determine the amount each Participating Class
8 Member is entitled to for each workweek he or she was employed by Defendant (the “Daily
9 Amount”). The Settlement Administrator will multiply the Weekly Amount by the estimated
10 total number of workweeks that each Participating Class Member worked during the Class
11 Period. The product of each calculation represents the gross Individual Settlement Payment for
12 the respective Participating Class Member. The Settlement Administrator will then deduct
13 Employee Taxes attributable to wages to arrive at the net Individual Settlement Payment for
14 each respective Class Member. Within twenty-one (21) calendar days after Preliminary
15 Approval, Defendants, shall provide the Settlement Administrator with any information
16 reasonably necessary to perform the calculation of number of workweeks for each Settlement
17 Class Member, and any other reasonably required information the Settlement Administrator
18 requests to perform the calculations required under this Settlement. Defendant shall have no
19 responsibility for deciding the validity of any Individual Settlement Payment or any other
20 payments made pursuant to this Settlement, shall have no involvement in or responsibility for
21 the determination or payment of Employee Taxes, and shall have no liability for any errors made
22 with respect to such Employee Taxes.
23

24 Individual PAGA Settlement Payment Formula: Each Similarly Aggrieved Employee
25 shall be eligible to receive an Individual PAGA Settlement Payment, which is a share of the Net
26 Settlement Amount (“PAGA Allocation”), based on the number of weeks worked by the Similarly
27 Aggrieved Employee during the PAGA Period, as a proportion of all weeks worked by all
28 Participating Similarly Aggrieved Employee during the PAGA Period. Individual PAGA

1 Settlement Payments reflect settlement of a dispute regarding civil penalties. The Individual
2 PAGA Settlement Payments shall be considered 100% penalties.

3 3.23. Participating Class Members are not eligible to receive any compensation other
4 than the Individual Settlement Payment, and they may only receive an Individual Settlement
5 Payment if they do not submit a valid and timely Request for Exclusion to opt out of the
6 Settlement. Plaintiff, however, is also eligible to receive a Class Representative Enhancement
7 Award.

8 3.24. No benefit, including but not limited to pension benefits, shall increase or accrue
9 as a result of any payment made pursuant to this Settlement.

10 3.25. If a check for an Individual Settlement Payment is returned to the Settlement
11 Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a
12 valid mailing address by performing a skip trace search. If another address is identified, the
13 Settlement Administrator shall mail the check to the newly identified address. If an Individual
14 Settlement Payment check is returned to the Settlement Administrator a second time as
15 undeliverable, the Settlement Administrator shall not attempt any further re-mailing of that
16 check. Any settlement checks that remain uncashed one hundred eighty (180) or more calendar
17 days after issuance shall be voided. The Settlement Administrator shall forward all voided
18 settlement checks to the California State Controller's Office's Unclaimed Property Division.
19 The Settlement Administrator shall also compile a list of the Participating Class Members for
20 whom their funds were deposited with the California State Controller's Office's Unclaimed
21 Property Division. In such event, the Participating Class Member shall nevertheless remain
22 bound by the Settlement. The Parties agree that good cause exists for the Court to approve this
23 distribution because the unclaimed funds are unclaimed wages of employees that will be held
24 by the State of California for the benefit of these employees, who may request receipt of payment
25 form the California State Controller's Office's Unclaimed Property Division.
26

27 3.26. Class Representative Enhancement Award. Defendant agrees not to oppose or
28 object to any application or motion by Plaintiff for a Class Representative Enhancement Award,

1 not to exceed One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) for Plaintiff
2 Ariel Lozano, as consideration for Plaintiff's time and effort in bringing and prosecuting this
3 matter. The Class Representative Enhancement Award shall be paid to Plaintiff from the Gross
4 Settlement Amount no later than fifteen (15) calendar days after the Gross Settlement Amount
5 is fully funded. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiff
6 for her Class Representative Enhancement Award. Plaintiff shall be solely and legally
7 responsible for payment of all applicable taxes on their Class Representative Enhancement
8 Award and shall hold Defendant harmless from any claim or liability for taxes, penalties, or
9 interest arising as a result of the Class Representative Enhancement Award. The Class
10 Representative Enhancement Award shall be in addition to Plaintiff's Individual Settlement
11 Payment as a Participating Class Member. In the event that the Court awards lesser amounts
12 than the Class Representative Enhancement Awards requested, then any portion of the requested
13 amounts not awarded to Plaintiff shall be added to the Net Settlement Amount. Plaintiff shall
14 not have the right to revoke their agreement to the Settlement on the grounds the Court did not
15 approve any or all of her request for a Class Representative Enhancement Award.
16

17 3.27. Class Counsel Award and Costs. Defendant agrees not to oppose or object to any
18 application or motion by Class Counsel for a Class Counsel Award not to exceed Fifteen
19 Thousand Dollars and Zero Cents (\$15,000.00) and Class Counsel Costs not to exceed Twelve
20 Thousand Dollars and Zero Cents (\$12,000.00) from the Gross Settlement Amount. The Class
21 Counsel Award and Class Counsel Costs shall be paid no later than fifteen (15) calendar days
22 after the Gross Settlement Amount is fully funded. Class Counsel shall be solely and legally
23 responsible to pay all applicable taxes on the payments made pursuant to this paragraph. The
24 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the
25 payments made pursuant to this paragraph. This Settlement is not contingent upon the Court
26 awarding Class Counsel any particular amount in attorneys' fees and costs. Any amount
27 requested by Class Counsel for the Class Counsel Award and Class Counsel Costs and not
28 granted by the Court shall be part of the Net Settlement Amount.

1 3.28. PAGA Settlement Allocation. Subject to Court approval, the Parties shall allocate
2 a total of Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) from the Gross
3 Settlement Amount for the compromise of claims for civil penalties brought under the PAGA
4 (the “PAGA Allocation”). Per California Labor Code section 2699(i), One Thousand Eight
5 Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-five percent
6 (75%) of the PAGA Allocation, will be paid to California’s Labor Workforce Development
7 Agency. The remaining Six Hundred Twenty-Five Dollars and Zero Cents (\$625.00),
8 representing twenty-five percent (25%) of the PAGA Allocation, shall be part of the Net
9 Settlement Amount to be distributed to Similarly Aggrieved Employee.

10 3.29. LWDA PAGA Allocation. The LWDA PAGA Allocation shall be One Thousand
11 Eight Hundred Seventy-Five Dollars and Zero Cents (\$1,875.00), representing seventy-five
12 percent (75%) of the PAGA Settlement Allocation, and shall be paid to California’s Labor
13 Workforce Development Agency from the Gross Settlement Amount by the Settlement
14 Administrator no later than fifteen (15) calendar days after the Gross Settlement Amount is fully
15 funded. .

16 3.30. Defendant’s Option to Terminate Settlement. If, after the Response Deadline and
17 before the Final Approval Hearing, five percent (5%) or more of the number of Participating
18 Class Members submit timely and valid Requests for Exclusion from the Settlement, Defendant
19 shall have, in its sole discretion, the option to terminate this Settlement. Defendant shall exercise
20 its option to terminate, if it wishes, prior to the Final Approval Hearing. If Defendant decides to
21 void the Settlement, then the Settlement and conditional class certification shall be considered
22 void, and neither the Settlement, conditional class certification, nor any of the related
23 negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the
24 same position, without prejudice, as if this Settlement had been neither entered into nor filed
25 with the Court. Should Defendant void the Settlement under this paragraph, it shall be
26 responsible for all Settlement Administration Costs.

27 3.31. Settlement Administration Costs. The Settlement Administrator shall be paid for
28

1 the costs of administration of the Settlement from the Gross Settlement Amount. Such costs of
2 administration are not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00), unless the
3 court approves a higher amount. No fewer than twenty (20) days prior to the Final Approval
4 Hearing, the Settlement Administrator shall provide the Parties with a statement detailing the
5 costs of administration. The Settlement Administrator, on Defendant's behalf, shall have the
6 authority and obligation to make payments, credits and disbursements, including payments and
7 credits in the manner set forth in this Settlement, to Participating Class Members, calculated in
8 accordance with the methodology set out in this Settlement and orders of the Court. The Parties
9 agree to cooperate in the administration of the Settlement and to make all reasonable efforts to
10 control and minimize the costs and expenses incurred in administration of the Settlement. The
11 Parties each represent they do not have any financial interest in the Settlement Administrator or
12 otherwise have a relationship with the Settlement Administrator that could create a conflict of
13 interest. The Settlement Administrator shall be responsible for: processing and mailing all
14 court-approved payments to the Plaintiffs, Class Counsel, Participating Class Members, and the
15 LWDA; printing and mailing the Notice Packets to the Class Members as called for in this
16 Settlement and ordered by the Court; receiving and reporting Notice of Objections and Requests
17 for Exclusion submitted by Participating Class Members; providing declaration(s) as necessary
18 in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties
19 mutually agree or the Court orders the Settlement Administrator to perform. The Settlement
20 Administrator shall keep the Parties timely apprised of the performance of all Settlement
21 Administrator responsibilities. Any legally mandated tax reports, tax forms, tax filings, or other
22 tax documents required by administration of this Settlement shall be prepared by the Settlement
23 Administrator. Any expenses incurred in connection with such preparation shall be Settlement
24 Administration Costs. The Settlement Administrator shall be paid the Settlement
25 Administration Costs from the Gross Settlement Amount no later than fifteen (15) calendar days
26 after the Gross Settlement Amount is fully funded.

28 3.32. Final Approval Hearing. At a reasonable time following the Response Deadline,

the Court shall hold the Final Approval Hearing, where objections, if any, may be heard, and the Court shall determine amounts properly payable for (i) the Class Counsel Award, (ii) the Class Counsel Costs, (iii) the Class Representative Enhancement Awards, (iv) the LWDA PAGA Allocation; and (v) the Settlement Administration Costs.

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

3.34. No Effect on Employee Benefits. Amounts paid to Plaintiff or other Participating Class Members pursuant to this Settlement will not count as earnings or compensation for purposes of any benefits (e.g., pensions or retirement plans) sponsored by Defendant. It is expressly understood and agreed that the receipt of Individual Settlement Amount shall not entitle any Participating Class Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any Participating Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual Settlement Amounts provided for in this Stipulation are the sole payments to be made by Defendant to Participating Class Members in connection with this Settlement, with the exception of Plaintiffs, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Awards. Furthermore, the receipt of Individual Settlement Amounts by Participating Class Members shall not, and does not, by itself establish any general, special, or joint employment relationship between and among the Participating Class Member(s) and Defendant.

3.35. Nullification of Settlement. In the event: (i) the Court does not enter the

1 Preliminary Approval Order as specified herein; (ii) the Court does not grant final approval of
2 the Settlement as provided herein; (iii) the Court does not enter a Final Judgment as provided
3 herein; or (iv) the Settlement does not become final for any other reason, this Settlement shall
4 be null and void and any order or judgment entered by the Court in furtherance of this Settlement
5 shall be treated as void from the beginning. In such a case, the Parties and any funds to be
6 awarded under this Settlement shall be returned to their respective statuses as of the date and
7 time immediately prior to the execution of this Settlement, and the Parties shall proceed in all
8 respects as if this Settlement had not been executed, except that any costs and fees already
9 incurred by the Settlement Administrator shall be paid jointly by the Parties. In the event an
10 appeal is filed from the Court's Final Judgment, or any other appellate review is sought,
11 administration of the Settlement shall be stayed pending final resolution of the appeal or other
12 appellate review, and any other payments required hereunder by Defendant will not be paid
13 pending the completion and final resolution of the appeal, and any payment thereafter will: (1)
14 occur only if the Order Granting Final Approval is upheld after all appeals; and (2) be in a
15 manner that is provided for in the Settlement and in the Order Granting Final Approval.
16

17 3.36. No Admission by the Parties. Defendant denies any and all claims alleged in this
18 Action and deny all wrongdoing whatsoever. This Settlement is not a concession or admission,
19 and shall not be used against Defendant as an admission or indication, with respect to any claim,
20 of any fault, concession, or omission by Defendant. Neither this Settlement, nor any of its terms
21 and conditions, nor any of the negotiations connected with it, is a concession or admission, and
22 none shall be used against Defendant as an admission or indication with respect to any claim of
23 any fault, concession, or omission by Defendant or that class certification is proper under the
24 standard applied to contested certification motions. The Parties stipulate and agree to the
25 certification of the proposed class for settlement purposes only. The Parties further agree that
26 this Settlement will not be admissible in this or any other proceeding as evidence that either: (i)
27 a class action should be certified or (ii) Defendant is liable to Plaintiff or any Class Member,
28 other than according to the terms of this Settlement.

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

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

3.38.1. If the response does not address the alleged violation to the initiating 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,B and C, 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-

1 in-interest.

2 3.42. Entire Settlement. This Settlement and any attached Exhibits constitute the entire
3 agreement among these Parties, and no oral or written representations, warranties or
4 inducements have been made to any Party concerning this Settlement or its exhibits, other than
5 the representations, warranties and covenants contained and memorialized in the Settlement and
6 its exhibits. No other prior or contemporaneous written or oral agreements may be deemed
7 binding on the Parties.

8 3.43. Authorization to Enter into Settlement. Counsel for all Parties warrant and
9 represent they are expressly authorized by the Parties whom they represent to negotiate this
10 Settlement and to take all appropriate actions required or permitted to be taken by such Parties
11 pursuant to this Settlement to effectuate its terms, and to execute any other documents required
12 to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each
13 other and use their best efforts to affect the implementation of the Settlement. In the event the
14 Parties are unable to reach agreement on the form or content of any document needed to
15 implement the Settlement, or on any supplemental provisions that may become necessary to
16 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve
17 such disagreement. The person signing this Settlement on behalf of Defendant Q-Flex, Inc.
18 represents and warrants that he or she is authorized to sign this Settlement on behalf of
19 Defendant Q-Flex, Inc. Plaintiff Ariel Lozano represents and warrants that she is authorized to
20 sign this Settlement and that she has not assigned any claim, or part of a claim, covered by this
21 Settlement to a third-party.
22

23 3.44. Binding on Successors and Assigns. This Settlement shall be binding upon, and
24 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

25 3.45. No Prior Assignments. The Parties and their counsel represent, covenant, and
26 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
27 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
28 demand, action, cause of action or right herein released and discharged.

1 3.46. California Law Governs. All terms of this Settlement and the exhibits hereto shall
2 be governed by and interpreted according to the laws of the State of California.

3 3.47. This Settlement is Fair, Adequate and Reasonable. The Parties believe this
4 Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
5 Settlement after extensive arms-length negotiations, taking into account all relevant factors,
6 present and potential.

7 3.48. Jurisdiction of the Court. In accordance with California Rule of Court 3.769(h),
8 the Parties agree that the Court shall retain jurisdiction with respect to the interpretation,
9 implementation, and enforcement of the terms of this Settlement and all orders and judgments
10 entered in connection therewith, and the Parties and their counsel hereto submit to the
11 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing this
12 Settlement and all orders and judgments entered in connection therewith.

13 3.49. Invalidity of Any Provision. Before declaring any provision of this Settlement
14 invalid, the Court shall first attempt to construe the provision to be valid to the fullest extent
15 possible, consistent with applicable precedents.

16 3.50. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
17 class certification for purposes of this Settlement only.

18 3.51. Cooperation. The Parties agree to cooperate fully with one another to accomplish
19 and implement the terms of this Settlement. Such cooperation shall include, but not be limited
20 to, execution of such other documents and the taking of such other action as may be reasonably
21 necessary to fulfill the terms of this Settlement. The Parties to this Settlement shall use their
22 best efforts, including all efforts contemplated by this Settlement and any other efforts that may
23 become necessary by Court order, or otherwise, to effectuate this Settlement and its terms.

24 3.52. Publicity. Plaintiff and Class Counsel agree that they will not issue any press
25 releases, initiate any contact with the press, respond to any press inquiry, or have any
26 communication with the press about the Action and/or the fact, amount, or terms of the
27 Settlement. However, for marketing purposes, Class Counsel may refer to the settlement amount
28

1 and the nature of the case without identifying any of the Parties directly or indirectly. Before the
2 date of the filing of the motion for preliminary approval of the Settlement, Plaintiff and Class
3 Counsel will not initiate any contact with Participating Class Members about the Settlement,
4 except that: (a) Class Counsel, if contacted by a Settlement Class Member, may respond that a
5 settlement has been reached and that the details will be communicated in a forthcoming Court-
6 approved notice; and (b) Plaintiff, if contacted by a Settlement Class Member, may respond only
7 that the Settlement Class Member should contact Class Counsel. Neither Plaintiff nor Class
8 Counsel shall hold a press conference or otherwise seek to affirmatively contact the media about
9 the Settlement. If contacted by the media regarding the Settlement, Class Counsel shall state, "It
10 is a fair settlement, and we are happy with the results." Additionally, no Party or their counsel
11 shall disparage the Settlement. Nothing in this paragraph shall prevent Class Counsel from
12 carrying out their duties.

13
14 3.53. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
15 and conditions of this Settlement. Accordingly, this Settlement will not be construed more
16 strictly against one party than another merely by virtue of the fact that it may have been prepared
17 by counsel for one of the Parties, it being recognized that, because of the arm's-length
18 negotiations between the Parties, all Parties have contributed to the preparation of this
19 Settlement.

20 3.54. Representation by Counsel. The Parties acknowledge that they have been
21 represented by counsel throughout all negotiations that preceded the execution of this
22 Settlement, and that this Settlement has been executed with the consent and advice of counsel,
23 and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are
24 no liens on the Settlement Agreement.

25 3.55. All Terms Subject to Final Court Approval. All amounts and procedures described
26 in this Stipulation are subject to final Court approval.

27 3.56. Notices. Unless otherwise specifically provided, all notices, demands or other
28 communications in connection with this Settlement shall be: (1) in writing; (2) deemed given

on the third business day after mailing; and (3) sent via United States registered or certified mail, return receipt requested, addressed as follows:

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 Participating Class Members. It is agreed that it is impossible or impractical to have each Participating Class Member execute this Settlement. The Notice of Settlement will advise all Participating 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

1 the undersigned. Plaintiff, Class Counsel, Defendants, and Defense Counsel may execute this
2 Settlement in counterparts, and execution of counterparts shall have the same force and effect
3 as if each had signed the same instrument. Copies of the executed Settlement shall be effective
4 for all purposes as though the signatures contained therein were original signatures.

5
6 04 / 19 / 2023
Dated: _____ 2023

By: Ariel Lozano

Ariel Lozano

7
8
9 Dated: _____, 2023

By: _____
Defendant Q-Flex, Inc.

1 the undersigned. Plaintiff, Class Counsel, Defendants, and Defense Counsel may execute this
2 Settlement in counterparts, and execution of counterparts shall have the same force and effect
3 as if each had signed the same instrument. Copies of the executed Settlement shall be effective
4 for all purposes as though the signatures contained therein were original signatures.

5
6 Dated: _____ 2023

By: _____

7 Ariel Lozano

8
9 Dated: 4/19, 2023

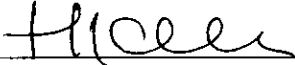
By: 
Defendant Q-Flex, Inc.

EXHIBIT A

ORANGE COUNTY SUPERIOR COURT

Ariel Lozano v. Q-Flex Inc.

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

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: ALL NON-EXEMPT HOURLY-PAID EMPLOYEES CURRENTLY AND/OR FORMERLY EMPLOYED BY DEFENDANT Q-FLEX INC., AT ANY TIME FROM MAY 26, 2016, THROUGH [Preliminary approval date]

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

WHY DID I GET THIS NOTICE?

You have received this Notice because Q-Flex, Inc. (“Q-Flex” or “Defendant”) records reflect that you are or may be a class member in a pending class action entitled *Lozano v. Q-Flex Inc.* Orange County Superior Court case number 30-2020-01140853-CU-OE-CXC (the “Action”) and you may be entitled to money from the settlement of that Action.

This Notice is court approved and informs you of the terms of the agreement of the Parties to settle the claims as set forth and embodied in a Class Action Settlement Agreement (“Settlement”). This Notice explains what steps you may take to participate in, object to, or exclude yourself from the Settlement.

WHAT IS THIS ACTION ABOUT?

The Action was filed on May 26, 2020, on behalf of Plaintiff, Ariel Lozano (“Named Plaintiff”), and other similarly situated current and former employees of Defendant. The Action, as amended, pleads class allegation claims against Defendant for: (1) Failure to Pay All Wages, Including Minimum Wages and Overtime Wages (Labor Code §§ 510, 1194); (2) Failure to Provide Meal Periods (Labor Code §§ 226.7, 512); (3) Failure to Provide Rest Periods (Labor Code §§ 226.7, 512); (4) Failure to Timely Pay Wages Due at Separation (Labor Code §§ 201-203); (5) Failure to Keep Accurate Itemized Wage Statements (Labor Code §§ 1174, 226 (A), (E)); (6) Unfair Business Practices (Bus. & Prof. Code § 17200 *et seq.*; and (7) Civil Penalties under the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*) (“PAGA”). Named Plaintiff seeks to recover various damages and costs and penalties, including unpaid wages, restitution (including under California Business and Professions Code section 17200 *et seq.*), interest, penalties (including under PAGA), and attorneys’ fees and costs. A copy of the complaint is on file with the Court.

Defendant denies each and all of the claims and contentions alleged by Named Plaintiff. Defendant believes strongly that it has multiple valid defenses to the claims and that its employees have been properly paid and treated in accordance with the law. Absent the Settlement, Defendant would contest

vigorously the lawsuit. By agreeing to this Settlement, Defendant is not admitting that it has any liability. Named Plaintiff believes she would prevail on the claims that are subject to the Settlement.

After engaging in informal discovery and an all-day mediation before an experienced mediator Steven Serratore, and follow up negotiations, the Parties agreed to the Settlement, which was preliminarily approved by the trial court in the Action (“Court”) on [Date]. Named Plaintiff and Class Counsel support the Settlement.

Neither the Court nor any other fact finder has decided whether the claims brought by the Named Plaintiff (or Defendant’s defenses) are meritorious. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. Rather, the Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable and any final determination of those issues will be made at the final hearing. Defendant reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations in the Action and whether this Action should proceed as a class action.

WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons sue on behalf of other people who have similar claims. Ariel Lozano is the Class Representative or Named Plaintiff in the Action, and has asserted claims on behalf of herself and the class. Q-Flex, Inc. is the Defendant. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class.

A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file his or her own lawsuit on the same claims that were decided in the class action.

WHO IS INCLUDED IN THE SETTLEMENT CLASS?

“Settlement Class Member(s)” or “Settlement Class” includes any and all non-exempt hourly-paid employees currently and/or formerly employed by Defendant Q-Flex Inc. at any time during the Class Period from May 26, 2016, through _____ [Preliminary approval date] (referred to as the “Class Period”), other than those who opt out (as discussed below). This group individually and collectively will be referred to as “Class Members.”

WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

Defendant will pay a maximum “Gross Settlement Amount” in the amount of forty-five thousand dollars (\$45,000.00) in exchange for: the release by Settlement Class Members of Released Class Claims (defined below) against it and Released Parties (defined below); final judgment on the Action; and the other terms set forth in the Settlement. Subject to Court approval, the Gross Settlement Amount will be allocated as follows:

- Individual Settlement Payment: \$_____ shall be allocated to Settlement Class Members and referred to in this notice as the “Net Settlement Amount” or “NSA.” Settlement Class Members who do not request to be excluded from the Settlement will receive a pro-rata share of the Net Settlement Amount automatically, which will be referred to in this notice as the “Individual

Settlement Payment.” The Individual Settlement Payment will be calculated by dividing the number of workweeks reflected in the company’s records for you during the Class Period by the total workweeks worked by all Settlement Class Members during the Class Period as reflected in company records. Workweeks worked shall be determined by the Settlement Administrator based on data to be provided by Defendant, as may be modified by the Settlement Administrator’s or Court’s resolution of any challenges.

- Your estimated Individual Settlement Payment is \$_____.
- Your estimated number of workweeks worked is _____.

Settlement Class Members who do not request to be excluded from the Settlement will be forever barred from pursuing the Released Class Claims against Defendant or any other Released Parties.

- However, even if a Class Member opts out, he or she will still receive an Individual PAGA Allocation payment, if he or she worked during the PAGA Period. Individual PAGA Settlement Allocation: \$_____ The Claims Administrator shall divide the twenty-five percent (25%) of the PAGA Allocation, which is to be distributed to Class Members by the total number of workweeks Class Members worked during the PAGA Period in order to determine the amount each Class Member is entitled to for each workweek he or she was employed by Defendant during the PAGA Period. The Claims Administrator will multiply the Weekly Amount by the estimated total number of workweeks that each Class Member worked during the PAGA Period. The product of each calculation represents the gross Individual PAGA Settlement Payment for the respective Participating Class Member. _
 - Your estimated Individual PAGA Settlement Allocation is \$_____.
 - Your estimated number of PAGA workweeks worked is _____.
- Enhancement Payment: Named Plaintiff will request an award not to exceed one thousand five hundred dollars (\$1,500.00) in recognition of her work in this Action on behalf of the Class and a general release of all claims.
- Attorney’s Fees and Expenses Payment: Class Counsel (listed below) will seek a total amount of money not to exceed fifteen thousand dollars (\$15,000.00) to be paid in accordance with the Settlement for any and all attorney’s fees and twelve thousand dollars (\$12,000.00) in costs and expenses relating to the Action.
- Settlement Administration: The cost of settlement administration will not exceed _____ (), which pays for tasks such as translating and mailing this Notice, mailing checks and tax forms, reporting to the parties and the Court, and tracking submitted requests for exclusions.
- PAGA Penalty Payment: Pursuant to California Labor Code Section 2698 *et seq.*, known as the Private Attorney General Act or “PAGA”, the Parties designate two thousand five hundred dollars (\$2,500.00) of the Gross Settlement Amount as payment for civil penalties under the PAGA. Of the two thousand five hundred dollars (\$2,500.00) seventy-five percent (75%) of that amount, or one thousand eight hundred seventy-five (\$1,875.00), will be paid to California’s Labor & Workforce Development Agency (“LWDA”). The remainder of six hundred twenty-five dollars (\$625.00) shall be divided among the Class Members who worked during the PAGA Period. Each Class Member 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 Participating Class Member during the PAGA Period, as a proportion of all weeks worked by all Class Members 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. Class Members who worked during the PAGA Period cannot exclude themselves from the PAGA Allocation and shall be deemed to have released all claims for civil penalties under PAGA based on the allegations in the operative complaint and notice to the LWDA on April 27, 2020.

WHAT AM I RELEASING UNDER THE SETTLEMENT?

Unless you timely exclude yourself from the class (as discussed below), you on behalf of yourself and your respective heirs, executors, administrators, personal representatives, successors and assigns irrevocably and unconditionally forever and fully release (and covenant not to sue or otherwise pursue claims, whether known or unknown, against) any and all Released Parties from any and all Released Class Claims (defined below).

“Released Parties” means Defendant, and all of its current, former, and future parents, owners, subsidiaries, predecessors and successors, agents, employees, officers, directors, shareholders, agents, and any other successors or assigns. .

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

As of the Effective Date, all Settlement Class Members, including Plaintiff, who do not opt out of the Class 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 Class Claims for harms arising during the Class Period.

“Released Class Claims” means all claims that were alleged, or reasonably could have been alleged, and as stated in the Operative Complaint, and ascertained in this Action, including but not limited to, all wage and hour claims for unpaid wages including minimum wage payments, failure to pay wages during employment, failure to pay overtime, failure to pay wages upon termination, uniform maintenance costs, meal and rest break violations, wage statement violations and penalties, waiting time penalties, reimbursement, restitution and other equitable relief, disgorgement, conversion, unjust enrichment, civil and statutory penalties, interests, liquidated damages, punitive damages, attorneys’ fees and costs, claims under California Labor Code sections 201-203, 226, 226.7, 510, 512, 1174, and 1194, Industrial Welfare Commission Wage Order No. 1, claims under California Business & Professions Code sections 17200-17204, as asserted in the Action. This release shall apply to all claims arising at any point between May 26, 2016 through the date the Court grants Preliminary Approval of the Settlement. Class Members who do not wish to release the Released Class Claims shall have the option to “opt-out.”

The Final Judgment shall expressly provide that it covers and bars each and every Class Member other than those who have opted out from asserting any Released Class Claims in the future.

The Final Judgment shall expressly provide that it covers and bars each and every Class Member, except for Class Members that elect to opt-out, from asserting any Released Class Claims in the future.

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

"Released PAGA Claims" means all claims that were alleged, in the operative Complaint and notice to the LWDA on April 27, 2020 for civil penalties pursuant to Private Attorneys General Act ("PAGA"), including but not limited to, for unpaid wages including minimum wage payments, failure to pay wages during employment, failure to pay overtime, failure to pay wages upon termination, uniform maintenance costs, meal and rest break violations, wage statement violations and penalties, waiting time penalties, reimbursement, attorneys' fees and costs. This release shall apply to all claims under PAGA arising at any point between April 27, 2019 through the date the Court grants Preliminary Approval of the Settlement. Similarly Aggrieved Employees shall not be able to "opt-out" from the PAGA release.

WHAT DO I NEED TO DO TO RECEIVE AN INDIVIDUAL SETTLEMENT ALLOCATION?

To receive your Individual Settlement Allocation, you do not need to do anything. You must, however, notify the Settlement Administrator of any change in your name, mailing address and/or telephone number. It is your responsibility to keep the Settlement Administrator informed of any such change, as your Individual Settlement Allocation will be mailed to the address on file.

Once you receive your Individual Settlement Allocation, you shall have One Hundred and Eighty (180) calendar days after mailing by the Settlement Administrator to cash your Settlement checks. If you do not cash your check within that period, your check will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within One Hundred and Eighty (180) days of mailing shall be delivered to the State Controller's Office Unclaimed Wage Fund or as otherwise directed by the Court.

Neither Defendant, nor any Released Party offers tax advice regarding this Settlement. You may consider contacting an accountant and/or tax attorney to determine the appropriate amount of taxes that should be paid on your Individual Settlement Allocation. Payments awarded to you will not form the basis for additional contributions to or benefits under any benefit plans, policies or bonus programs that may exist and/or be offered to you through, by or in conjunction with Q-Flex, Inc. or any other Released Party.

WHAT IF I DON'T WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the Settlement other than the release of PAGA claims. To do so, you must fill out and submit Opt Out Form included in this packet to the Settlement Administrator at the following address: _____. To be valid, the opt out form must be: (1) filled out by you; (2) signed by you; and (3) must be postmarked or fax stamped by [60 days after mailing date] and returned to the Settlement Administrator at the specified address or fax number.

Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement, and you will be barred from pursuing the Released Class Claims. The opt out form will not impact your inclusion in the settlement and release of claims under the PAGA. You may visit the Settlement Administrator's website at www.phoenixclassaction.com/.

If you timely request to be excluded from the Settlement, you will not be entitled to receive any payment under the Settlement other than related to the PAGA and will receive an Individual PAGA Settlement Payment if you worked during the PAGA period. Class Counsel will not represent your interests if you request to be excluded.

WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member (that is, Class Member who has not asked to be excluded from the Settlement) may object to the Settlement. If you object to the Settlement, you may, but you are not required to, appear at the hearing where the Court will make a final decision whether or not to approve the Settlement ("Final Approval Hearing"). Your objection will be valid so long as you submit a written objection as set forth below. The Final Approval Hearing is scheduled to take place on _____, 2023, at ____ a.m. in Department CX-103 of the Orange County Superior Court, located at the address below. The hearing may be continued (moved to another date) without further notice to you.

If you wish to object, you must submit a written objection to the Settlement Administrator at the following address: _____. To be valid, the written objection must be signed by the Class Member and state: (1) the full name of the Class Member; (2) the dates of employment of the Settlement Class Member; (3) the basis for the objection; and (4) if the Class Member intends to appear at the Final Approval Hearing. A Class Member who wishes to object must submit his or her objection to the Settlement Administrator no later than [60 days after mailing date]. The Parties shall be permitted to file responses to the objection in addition to any motion for final approval documents. Even if you fail to submit a written objection, you can still appear personally or through your counsel to make your objection at the hearing.

CLASS COUNSEL	DEFENDANT'S COUNSEL
KEVIN MAHONEY MAHONEY LAW GROUP, APC 249 E. Ocean Blvd., Ste. 814 Long Beach, CA 90802 Telephone: (562) 590-5550 Facsimile: (562) 590-8400	GOPAL S. PATEL PRINDLE, GOETZ, BARNES & REINHOLTZ, LLP 310 Golden Shore, 4 th Floor Long Beach, CA 90802 Telephone: (562) 436-3946

BERKEH (BEYONCA) ALEMZADEH WORK LAWYERS PC 22939 Hawthorne Blvd., Suite 202 Torrance, CA 90505 Telephone: (424) 355-8535 Facsimile: (213) 784-0032	Facsimile: (562) 495-0564 THE COURT CIVIL COMPLEX CENTER 751 West Santa Ana Blvd. Santa Ana, CA 92701
--	--

The Court has decided that the law firms listed above under “CLASS COUNSEL” are qualified to represent the Settlement Class Members. However, you have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing.

Submitting an objection will *not* exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still have the right to receive an Individual Settlement Allocation and will be barred from pursuing the Released Class Claims. Do not submit both an objection and request for exclusion. If you submit both a request for exclusion and an objection, you will be excluded from the class and the objection will not be considered, and you will remain part of the PAGA settlement.

WHAT HAPPENS IF I DO NOT EXCLUDE MYSELF FROM THIS SETTLEMENT?

The Settlement, if finally approved by the Court, will bind all Settlement Class Members who do not request to be excluded from the Settlement and PAGA members whether or not they receive or timely cash their Individual Settlement Allocations. Final approval of the Settlement will bar any Settlement Class Member who does not request to be excluded from the Settlement from hereafter initiating a lawsuit or proceeding regarding any Settled Claims and PAGA Members from pursuing released PAGA claims. The Class Action Settlement Agreement and Stipulation on file with the Court contains additional details about the scope of the release.

FURTHER INFORMATION

The foregoing is only a summary of the Settlement. The Settlement, pleadings and all other records of this litigation may be examined and copied any time during regular office hours in the Clerk’s Office of the Orange County Superior Court listed above as “THE COURT”. In addition, you may obtain these records on the Orange County Superior Court’s website at <https://ocjustice.occourts.org/civilwebShoppingNS/Search.do>. by clicking “Access Now” next to Civil Case & Document Access. You will need to accept the terms of the Information Disclaimer, and proceed to enter the case number listed at the top of this Notice and the security code provided on the webpage.

If you have any questions about the Settlement, you can contact Class Counsel, whose contact information is listed above in “CLASS COUNSEL” or the Settlement Administrator at:

[List claims administrator information]

You may seek the advice and guidance of your own attorney at your own expense.

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

EXHIBIT B

LOZANO V. Q-FLEX, INC.
ORANGE COUNTY SUPERIOR COURT
CASE NO. 30-2020-01140853-CU-OE-CXC

REQUEST FOR EXCLUSION

IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT, YOU MUST SIGN AND FILL OUT THIS FORM ACCURATELY, AND IN ITS ENTIRETY, AND MAIL THIS FORM BY FIRST CLASS U.S. MAIL TO THE ADDRESS BELOW SO THAT IT IS POSTMARKED ON OR BEFORE **INSERT DATE [+65 days from mailing]**.

Phoenix Class Action Administration Solutions
P.O. Box 7208
Orange, CA 92863

IT IS MY DECISION TO BE EXCLUDED FROM THE CLASS AND NOT TO RECEIVE ANY MONEY UNDER THE CLASS SETTLEMENT.

I confirm that I was employed by Q-FLEX, Inc., as a non-exempt employee based in California during the period beginning on May 26, 2016 through the present. I confirm that I have received notice of the proposed settlement in this action. I have decided to be excluded from the Settlement Class, and I have decided not to participate in the proposed Settlement. I understand that by submitting this Request for Exclusion, I will be forever barred from receiving any money under the Settlement and will not be bound by the terms of the Settlement. I further understand that even though I have submitted this Request for Exclusion form, that I may be entitled to an Individual PAGA Settlement Allocation if I worked during the PAGA Period, and that I will be deemed to have released any and all claims I have for civil penalties pursuant to Labor Code section 2699 et seq.

(Date)

(Signature)

(Address)

(Type or Print Name)

(City, State, Zip)

(Last Four Digits of Social Security Number)

EXHIBIT C

ORANGE COUNTY SUPERIOR COURT

Lozano v. Q-Flex, Inc.

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

OBJECTION FORM

ONLY USE THIS FORM IF YOU WANT TO OBJECT TO THE SETTLEMENT CLASS

Note: IF YOU REQUEST TO OBJECT TO THE SETTLEMENT, IF THE COURT OVERRULES YOUR OBJECTION, YOU WILL BE STILL BE CONSIDERED A PART OF THE CLASS AND WILL RECEIVE ANY MONEY FROM THE PROPOSED SETTLEMENT. DO NOT USE THIS FORM IF YOU WANT TO EXCLUDE YOURSELF FROM THE SETTLEMENT

You may object to the proposed Settlement by completing, signing, and then mailing this objection form to the address below.

I, _____ (Type _____ or _____ Print _____ Name) _____, was employed from _____ to _____. The **last four digits** of my social security number or employee ID is _____. hereby elect to be excluded from the settlement class in Lozano v. Q-Flex, Inc. I would like to object to the Settlement because _____

_____.

Signature: _____

Dated: _____

Any Other Names Used During Employment at Q-Flex, Inc.:

Address: _____

City, State and ZIP Code: _____

Telephone No. _____

If you have an attorney, this form can also be signed by your attorney on your behalf.

Legal Representative

Please mail this Objection Form to the Claims Administrator at the address listed below. The address of the Claims Administrator is:

[List claims administrator information].

Deadline: Your completed Objection Form must be postmarked by [INSERT DATE]. Even if you fail to submit this Objection Form timely, you or your legal representative may appear at the final approval hearing in persona and state your objection to the Settlement.